AGENDA

REGULAR CITY COUNCIL MEETING
MARCH 1, 2022 – 7:00 p.m.

Members:
Mayor Gabe Quinto

Mayor Pro Tem Lisa Motoyama · Councilmember Janet Abelson
Councilmember Paul Fadelli · Councilmember Tessa Rudnick

Join Via Zoom:
https://us06web.zoom.us/j/85756103837?pwd=MXJSYXZiUHFnTHhqZjl1cHYzN1Uvdz09

Meeting ID: 857 5610 3837 **Password:** 341458
or Dial in: 1-408-638-0968

The City Council may continue to meet by teleconference, consistent with the Brown Act as amended by AB 361 (2021). Under the amended rules, the City will not provide a physical location for members of the public to participate in the teleconference meeting.

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2. Radio Broadcast on FM 88.1 Or 97.7
3. Livestream Online at www.el-cerrito.org/CouncilMeetingMaterials
4. Via Zoom using the meeting information listed above.

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- Via Zoom using the "Raise Hand" icon to request to speak. If joining by phone, dial ***9** to "raise your hand", and when prompted by the host, ***6** to unmute/mute.
- Via email to cityclerk@ci.el-cerrito.ca.us. Email must contain in the subject line **Public Comments – Not on the Agenda** or **Public Comments – agenda item #.**

To ensure City Council receives your written comments prior to taking action, they must be received by **4:00 p.m. the day of the meeting.** All written comments received by this deadline will be provided to the City Council and posted online in advance of the meeting.

Comments received after the deadline will be provided to the City Council and included with supplemental materials **after the meeting. No written comments will be read into the record.**

7:00 P.M. ROLL CALL – CONVENE REGULAR CITY COUNCIL MEETING

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF A MOMENT OF SILENCE

2. TELECONFERENCE AND PUBLIC COMMENT INSTRUCTIONS

3. COUNCIL/STAFF COMMUNICATIONS

Reports of closed session, commission appointments and informational reports on matters of general interest which are announced by the City Council and staff.

4. ORAL COMMUNICATIONS FROM THE PUBLIC

Remarks are typically limited to 3 minutes per person. The Mayor may reduce the time limit per speaker depending upon the number of speakers and may limit the total time for public comment to facilitate the completion of business on the agenda. Comments regarding non-agenda, presentation and consent calendar items will be heard first. Comments related to items appearing on the Public Hearing or Policy Matter portions of the Agenda will be heard prior to the City Council taking action on each item.

5. ADOPTION OF THE CONSENT CALENDAR

All items on the consent calendar shall be acted upon in one motion, unless a member of the City Council or staff request separate consideration.

A. Approval of Minutes

Action Proposed: Pass a motion to approve the minutes from the meetings of January 19, February 1, 8, and 15, 2022.

Contact: Holly M. Charléty, City Clerk, City Management

B. Parent Teacher Association Proclamation

Action Proposed: At the request of Councilmember Abelson, approve a proclamation recognizing the occasion of the Parent Teacher Association's 125th anniversary.

Contact: Holly M. Charléty, City Clerk, City Management

C. Women's History Month Proclamation

Action Proposed: Pass a motion to approve a proclamation designating March as “Women’s History Month” and March 8, 2022 as “International Women’s Day" in the City of El Cerrito.

Contact: Alexandra Orologas, Assistant City Manager, City Management

D. Prescription Drug Abuse Awareness Proclamation

Action Proposed: Pass a motion to approve a proclamation declaring March 2022 as Prescription Drug Abuse Awareness Month in the City of El Cerrito.

Contact: Holly M. Charléty, City Clerk, City Management

E. American Red Cross Month Proclamation

Action Proposed: Pass a motion to approve a proclamation declaring March 2022 as American Red Cross Month in the City of El Cerrito and encouraging all Americans to support this organization and its noble humanitarian mission.

Contact: Holly M. Charléty, City Clerk, City Management

F. Arbor Week Proclamation

Action Proposed: Pass a motion to approve a proclamation declaring March 7 through March 14, 2022 as Arbor Week in the City of El Cerrito.

Contact: Stephen Prée, Environmental Programs Manager, Public Works Department

G. Urban Forest Committee Appointment

Action Proposed: Approve an Urban Forest Committee recommendation to appoint Susan Kuchinskas to the Urban Forest Committee, effective March 1, 2022.

Contact: Stephen Prée, Environmental Programs Manager/City Arborist, Public Works Department; Will Provost, Operations and Environmental Services Division Manager, Public Works Department; Yvetteh Ortiz, Public Works Director/City Engineer, Public Works Department

H. Resolution Recognizing March 10, 2022 as the 63rd Anniversary of the Tibetan National Uprising, and Affirm Support to the People of Tibet

Action Proposed: Adopt a resolution declaring: 1) March 10, 2022, the 63rd anniversary of the Tibetan national uprising, as “Tibet Day” in the City of El Cerrito; and 2) Declaring El Cerrito's expression of solidarity with the Tibetan people and their just, peaceful, and nonviolent movement to remind the world of the ongoing suppression of human rights and freedom in Tibet and the continuous degradation of culture, religion, land, and identity of the Tibetan people by China.

Contact: Alexandra Orologas, Assistant City Manager, City Management

6. PRESENTATIONS

A. Contra Costa College Update

Action Proposed: Receive and file an introduction from the new President and a brief update on Contra Costa College.
Contact: Dr. Tia Robinson-Cooper, President, Contra Costa College

7. PUBLIC HEARINGS

8. POLICY MATTERS

A. Transmittal and Presentation of FY 2020-21 Annual Comprehensive Financial Report (ACFR)

Action Proposed: Receive and file the transmittal of and presentation on the Fiscal Year 2020-2021 Annual Comprehensive Financial Report
Contact: Ahmed Badawi, President, Badawi & Associates

B. FY 2021-22 Mid-Year Budget Update

Action Proposed: Receive an update on City revenues and expenditures for the first six months of the fiscal year through December 31, 2021 and adopt a resolution authorizing amendment to the FY 2021-22 budget and approving new spending limits.
Contact: Karen Pinkos, City Manager, City Management

9. CITY COUNCIL LOCAL & REGIONAL LIAISON ASSIGNMENTS

Mayor and City Council communications regarding local and regional liaison assignments and committee reports.

10. ADJOURN REGULAR CITY COUNCIL MEETING

The next regularly scheduled City Council meeting is Tuesday, March 15, 2022 at 7:00 p.m.

The City of El Cerrito serves, leads and supports our diverse community by providing exemplary and innovative services, public places and infrastructure, ensuring public safety and creating an economically and environmentally sustainable future.

- Council Meetings can be heard live on FM Radio, KECG – 88.1 and 97.7 FM and viewed live on Cable TV - KCRT- Channel 28. The meetings are rebroadcast on Channel 28 the following Thursday

and Monday at 12 noon, except on holidays. Live and On-Demand Webcast of the Council Meetings can be accessed from the City's website http://www.el-cerrito.org/CouncilMeetingMaterials and is streamed with closed caption. Copies of the agenda bills and other written documentation relating to items of business referred to on the agenda are on file and available for public inspection in the Office of the City Clerk, at the El Cerrito Library and posted on the City's website at www.el-cerrito.org prior to the meeting.

- In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, 510-215-4305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title I).
- ***The Deadline for agenda items and communications*** is eight days prior to the next meeting by 12 noon, City Clerk's Office, 10890 San Pablo Avenue, El Cerrito, CA. Tel: 510-215–4305, email cityclerk@ci.el-cerrito.ca.us
- IF YOU CHALLENGE A DECISION OF THE CITY COUNCIL IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE COUNCIL MEETING. ACTIONS CHALLENGING CITY COUNCIL DECISIONS SHALL BE SUBJECT TO THE TIME LIMITATIONS CONTAINED IN CODE OF CIVIL PROCEDURE SECTION 1094.6.
- The City Council believes that late night meetings deter public participation, can affect the Council's decision-making ability, and can be a burden to staff. City Council Meetings shall be adjourned by 11:00 p.m., unless extended to a specific time determined by a majority of the Council.

EL CERRITO CITY COUNCIL DRAFT MINUTES

REGULAR CITY COUNCIL MEETING
JANUARY 18, 2022 – 7:00 p.m.

Members:
Mayor Gabe Quinto

Mayor Pro Tem Lisa Motoyama · Councilmember Janet Abelson
Councilmember Paul Fadelli · Councilmember Tessa Rudnick

Join Via Zoom:
https://us06web.zoom.us/j/85649989714?pwd=Z3ZFd1ZFaVc3eCtNcit2STh1R2RlUT09

Meeting ID: 856 4998 9714 **Password:** 939831
or Dial in: 1-408-638-0968

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Comments received after the deadline will be provided to the City Council and included with supplemental materials **after the meeting. No written comments will be read into the record.**

7:00 P.M. ROLL CALL – CONVENE REGULAR CITY COUNCIL MEETING

Mayor Quinto called the meeting to order at 07:00 PM.
Present: Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Abelson, Councilmember Fadelli, Councilmember Rudnick **Absent:** None

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF A MOMENT OF SILENCE

2. TELECONFERENCE AND PUBLIC COMMENT INSTRUCTIONS

3. COUNCIL/STAFF COMMUNICATIONS

Reports of closed session, commission appointments and informational reports on matters of general interest which are announced by the City Council and staff.

City Manager Pinkos - provided an update on current public health conditions, including closure of city hall to the public through January 31, 2022; access to free rapid tests at covidtests.gov; recapped Martin Luther King Jr. day parade event; and shared the passing of Police Officer Jerrick Bernstine.

Police Chief Keith - shared accomplishments and service to El Cerrito by Police Officer Jerrick Bernstine, who was lost in a car accident on January 9, 2022; details on memorial services; and the setup of a scholarship fund in Officer Bernstine's name.

Members of the City Council each expressed condolences to Officer Bernstine's family, city staff, and the community.

4. ORAL COMMUNICATIONS FROM THE PUBLIC

Remarks are typically limited to 3 minutes per person. The Mayor may reduce the time limit per speaker depending upon the number of speakers and may limit the total time for public comment to facilitate the completion of business on the agenda. Comments regarding non-agenda, presentation and consent calendar items will be heard first. Comments related to items appearing on the Public Hearing or Policy Matter portions of the Agenda will be heard prior to the City Council taking action on each item.

All written comments submitted prior to and during the meeting were posted online as supplemental materials and incorporated into the official meeting record. Written public comments for matters not on the agenda were received from Cordell Hindler; Gary Prost; and Sue Duncan.

Oral Public Comments:

Sue Duncan - shared details on recent fire events, encouraged an increase to fire vegetation management regulations, and requirements for property owners.

Jeff Levin - East Bay Housing Organizations spoke in support of work on the housing element, recent changes in legislation, and housing resources.

5. ADOPTION OF THE CONSENT CALENDAR

All items on the consent calendar shall be acted upon in one motion, unless a member of the City Council or staff request separate consideration.

Moved/Seconded: Councilmember Rudnick/Mayor Pro Tem Motoyama **Action:** Approved the consent calendar as indicated below. **Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Abelson, Councilmember Fadelli, Councilmember Rudnick **Noes:** None

A. Approval of Minutes

Action Proposed: Pass a motion to approve the minutes from the meetings of December 7 and 21, 2021.

Contact: Holly M. Charléty, City Clerk, City Management

Action: Approved minutes, with a modification to the December 21, 2021 regular meeting, correcting the reference under Council Communications from "Faraday" to "Verde."

B. Authorize City Council and City Advisory Body Meetings to be Held Via Teleconference Pursuant to Assembly Bill 361 (AB 361)

Action Proposed: Adopt a resolution authorizing City Council and City Advisory Body meetings to be held via teleconference for a period of 30 days, and making related findings pursuant to AB 361.

Contact: Holly M. Charléty, City Clerk, City Management

Action: Approved Resolution No. 2022-1

C. Professional Services Agreement to Complete an Inventory and Analysis of Soft Story Residential Buildings and Develop Program Recommendations

Action Proposed: Adopt a resolution authorizing the City Manager to execute a Professional Services Agreement between the City of El Cerrito and David Bonowitz, S.E. to complete an Inventory and Analysis of Soft Story Residential Buildings for an amount of $50,000 and approving a contingency amount not to exceed 10% of the contract amount, for a total not to exceed amount of $55,000.

Contact: Aissia Ashoori, Housing Analyst; Keith Marks, Chief Building Official; Melanie Mintz, Community Development Director, Community Development Department

Action: Approved Resolution No. 2022-2

D. Consultant Services Award for the El Cerrito 6th Cycle Housing Element Update

Action Proposed: Adopt a resolution authorizing the City Manager to execute a Professional Services Agreement between the City of El Cerrito and Ascent Environmental, Inc. to prepare the 6th Cycle (2023- 2031) Housing Element Update in an amount of $150,000 and approving a contingency amount not to exceed 10% of the contract amount, for a total not to exceed amount of $165,000.

Contact: Aissia Ashoori, Housing Analyst; Sean Moss, Planning Manager; Melanie Mintz, Community Development Director, Community Development Department

Action: Approved Resolution No. 2022-3

E. Continuation of Emergency Work for Public Safety Building Roof Repair
4/5 Vote Required to Pass

Action Proposed: Adopt a resolution authorizing the continuation of emergency work to repair the Public Safety Building roof.
Contact: Yvetteh Ortiz, Public Works Director/City Engineer, Public Works Department
Action: Approved Resolution No. 2022-4

6. PRESENTATIONS

7. PUBLIC HEARINGS

8. POLICY MATTERS

9. **CITY COUNCIL LOCAL & REGIONAL LIAISON ASSIGNMENTS** *Mayor and City Council communications regarding local and regional liaison assignments and committee reports.*

Councilmember Fadelli - announced West County Mayors meeting transitioning to Pinole as host for the next six months; reported appointment to serve on Cal Cities Environmental Policy Committee.

Councilmember Rudnick - reminded that organics are now mandated to be composted under AB 1383; reported appointment to serve on Cal Cities Public Safety Policy Committee along with City Manager Pinkos.

Mayor Pro Tem Motoyama - reported appointment to serve on Cal Cities Housing, Community, and Economic Development Policy Committee along with City Clerk Charléty.

Mayor Quinto - reported attendance at the Governance Task force meeting for Cal Cities; announced upcoming Cal Cities Board meeting in Walnut Creek, and presentation of proclamation to general manager and founder of The Natural Grocery Company.

10. ADJOURN REGULAR CITY COUNCIL MEETING IN MEMORY OF OFFICER JERRICK BERNSTINE

The regular meeting adjourned at 7:36 PM in memory of Officer Jerrick Bernstine.

_____
Gabe Quinto, Mayor

This is to certify that the foregoing is a true and correct copy of the minutes of the City Council meeting of January 18, 2022 as approved by the El Cerrito City Council.

_____
Holly M. Charléty, MMC, City Clerk

EL CERRITO CITY COUNCIL DRAFT MINUTES

REGULAR CITY COUNCIL MEETING
FEBRUARY 1, 2022 – 7:00 p.m.

Members:
Mayor Gabe Quinto

Mayor Pro Tem Lisa Motoyama · Councilmember Janet Abelson
Councilmember Paul Fadelli · Councilmember Tessa Rudnick

Join Via Zoom:
https://us06web.zoom.us/j/81263568113?pwd=MjcycHpRdHR1RWZJOGEyNFpVcVQ5QT09

Meeting ID: 812 6356 8113 **Password:** 192170
or Dial in: 1-408-638-0968

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7:00 P.M. ROLL CALL – CONVENE REGULAR CITY COUNCIL MEETING

Mayor Quinto called the meeting to order at 07:00 PM.
Present: Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Abelson, Councilmember Fadelli, Councilmember Rudnick **Absent:** None

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF A MOMENT OF SILENCE

2. TELECONFERENCE AND PUBLIC COMMENT INSTRUCTIONS

3. COUNCIL/STAFF COMMUNICATIONS

Reports of closed session, commission appointments and informational reports on matters of general interest which are announced by the City Council and staff.

City Manager Pinkos - provided update on public health conditions, including the extension of city facility closures through February 13, 2022; announced Council Goals and priorities workshop on Saturday, February 5, 2022; announced upcoming retirement of Fire Chief.

Police Chief Paul Keith - announced investigation of Mr. Daniel Leo Vigil's death and asked anyone with information to contact the police department.

Housing Analyst Aissia Ashoori- reported the City's award of 27 million dollars from the Transit-Oriented Development Program to the Mayfair project, which will go towards affordable housing, transit passes, and Del Norte Complete streets, and other transportation improvements.

Councilmember Fadelli - reported attendance at the Contra Costa County Elections Community Engagement Group.

Councilmember Abelson - upcoming participation in a presentation with the East Bay League of Women Voters on February 18, 2022.

Mayor Quinto - reported attendance at Cal Cities Crime Roundtable.

4. ORAL COMMUNICATIONS FROM THE PUBLIC

Remarks are typically limited to 3 minutes per person. The Mayor may reduce the time limit per speaker depending upon the number of speakers and may limit the total time for public comment to facilitate the completion of business on the agenda. Comments regarding non-agenda, presentation and consent calendar items will be heard first. Comments related to items appearing on the Public Hearing or Policy Matter portions of the Agenda will be heard prior to the City Council taking action on each item.

All written comments submitted prior to and during the meeting were posted online as supplemental materials and incorporated into the official meeting record. Written public comments for matters not on the agenda were received from Cordell Hindler and David Weinstein, President of El Cerrito Historical Society.

Oral Public Comments:
David Weinstein – provided a report on the accomplishments of El Cerrito Historical Society in 2021 and goals for 2022.

Sherry Drobner – announced a volunteer opportunity to assist the County in counting the number of unhoused populations.

Indy Rishi Sigh – expressed his condolences on the death of Mr. Vigil and urged for more action to assist the homeless.

Linda Cain – spoked of the funding on senior programs and urged the Council to support extension of the funding.

5. ADOPTION OF THE CONSENT CALENDAR

All items on the consent calendar shall be acted upon in one motion, unless a member of the City Council or staff request separate consideration.
Moved/Seconded: Mayor Pro Tem Motoyama/Councilmember Rudnick
Action: Approved the consent calendar as indicated below. **Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Abelson, Councilmember Fadelli, Councilmember Rudnick **Noes:** None

A. Black History Month Proclamation

Action Proposed: Pass a motion to approve a proclamation declaring February as Black History Month in the City of El Cerrito.
Contact: Shannon Bassi, Senior Human Resources Analyst, Human Resources
Action: Approved proclamation

B. Lunar New Year Proclamation

Action Proposed: Pass a motion to approve a proclamation recognizing the cultural and historical significance of Lunar New Year in the City of El Cerrito.
Contact: Shannon Bassi, Senior Human Resources Analyst, Human Resources
Action: Approved proclamation

C. Prohousing Designation Program Application

Action Proposed: Adopt a resolution authorizing application to and participation in the Prohousing Designation Program
Contact: Aissia Ashoori, Housing Analyst; Sean Moss, Planning Manager; and Melanie Mintz, Community Development Director, Community Development Department
Action: Approved Resolution No. 2022-5

D. FY 2021-22 Second Quarter Cash and Investment Report

Action Proposed: Receive and file the City's Quarterly Investment Report for the Quarter ending December 31, 2021.
Contact: Karen Pinkos, City Manager, City Management
Action: Received and filed

E. Amendment to the City's Classification Plan

Action Proposed: Adopt a resolution amending the City's Classification Plan to authorize 1) Reclassification of Administrative Clerk Specialist to Management Assistant in the Public Works Department; 2) Reclassification of Administrative Clerk Specialist to Management Assistant in City Management; and 3) Reclassification of Management Analyst III to Senior Program Manager in Community Development Department.
Contact: Alexandra Orologas, Assistant City Manager, City Management
Action: Approved Resolution No. 2022-6

F. Amendment of Professional Services Agreement with Peckham & McKenney

Action Proposed: Adopt a resolution to authorize the City Manager to amend the professional services agreement with Peckham & McKenney, an executive search firm, to include recruitment for the position of Fire Chief.
Contact: Alexandra Orologas, Assistant City Manager, City Management
Action: Approved Resolution No. 2022-7

G. Continuation of Emergency Work for Public Safety Building Roof Repair
4/5 Vote Required to Pass

Action Proposed: Adopt a resolution authorizing the continuation of emergency work to repair the Public Safety Building roof.
Contact: Yvetteh Ortiz, Public Works Director/City Engineer, Public Works Department
Action: Approved Resolution No. 2022-8

6. PRESENTATIONS

A. Recreation Department Update

Action Proposed: Receive and file an operational and fiscal update from the Recreation Department.
Contact: Chris Jones, Recreation Director, Recreation Department

Presentation and Discussion: Presenters and staff responded to comments and questions raised by members of the council regarding the cost neutrality of the 4th of July event, potential restrictions, clubhouse currently opened, condition of physical assets, status of the midtown activity center, swim center reservation system, and hiring challenges.

Action: Received and filed

A. Community Development Department Update

Action Proposed: Receive and file an operational and fiscal update from the Community Development Department.
Contact: Melanie Mintz, Community Development Director, Community Development Department
Presentation and Discussion: Presenters and staff responded to comments and questions raised by members of the council regarding grant funding opportunities, funding for general plan updates and required updates, upcoming workshops for tenants and landlord resources, cannabis revenue, BART plaza project timeline, SB9 regarding permitting duplexes and subdivisions on single family lots and the local review process and attracting new businesses.

Action: Received and filed

7. PUBLIC HEARINGS

8. POLICY MATTERS

A. FY 2021-22 General Fund Budget Quarterly Update through December 2021

Action Proposed: Receive and file an update on City General Fund revenues and expenses for FY 2021-22 through December 2021.
Contact: Karen Pinkos, City Manager, City Management
Presentation and Discussion: Presenters and staff responded to comments and questions raised by members of the council regarding determining priorities, cannabis funds, status of the Annual Comprehensive Financial Report (ACFR), and update on upcoming state auditor status report submission.

Action: Received and filed

9. **CITY COUNCIL LOCAL & REGIONAL LIAISON ASSIGNMENTS** *Mayor and City Council communications regarding local and regional liaison assignments and committee reports.*
Councilmember Fadelli - reported attendance at West Contra Costa Transportation Advisory Committee (WCCTAC) meeting and appointment as Vice-Chair.

Mayor Quinto - reported attendance at Marin Clean Energy (MCE) Executive Committee meeting, Cal Cities Governance Task meeting, West County Mayors' meeting, Hazardous Materials Commission meeting; announced upcoming Cal Cities Board of Directors meeting.

10. ADJOURN REGULAR CITY COUNCIL MEETING

The regular meeting adjourned at 10:11 PM.

_____

Gabe Quinto, Mayor

This is to certify that the foregoing is a true and correct copy of the minutes of the City Council meeting of February 1, 2022 as approved by the El Cerrito City Council.

_____

Holly M. Charléty, MMC, City Clerk

EL CERRITO CITY COUNCIL DRAFT MINUTES

SPECIAL CITY COUNCIL MEETING
FEBRUARY 8, 2022 – 4:00 p.m.

Members:
Mayor Gabe Quinto

Mayor Pro Tem Lisa Motoyama · Councilmember Janet Abelson
Councilmember Paul Fadelli · Councilmember Tessa Rudnick

Join Via Zoom:
https://us06web.zoom.us/j/86536190287?pwd=aVFzZkJPaTU5MjM5VzZlSHArUUh3dz09

Meeting ID: 865 3619 0287 **Password:** 153117
or Dial in: 1-408-638-0968

Pursuant to Executive Order N-29-20, teleconference restrictions of the Brown Act have been suspended, as well as the requirement to provide a physical location for members of the public to participate in the meeting.

This meeting will not be broadcast or livestreamed online. Members of the public may join the meeting using the Zoom meeting information listed above.

Public Comments may be submitted one of two ways and are **limited to items on the special meeting agenda only**:

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- Via email to cityclerk@ci.el-cerrito.ca.us. Email must contain in the subject line **Public Comments – agenda item #.**

To ensure City Council receives your written comments prior to taking action, they must be received by **1:00 p.m. the day of the meeting.** All written comments received by this deadline will be provided to the City Council and posted online in advance of the meeting.

Comments received after the deadline will be provided to the City Council and included with supplemental materials **after the meeting. No written comments will be read into the record.**

4:00 P.M. ROLL CALL - CONVENE SPECIAL CITY COUNCIL MEETING
Mayor Quinto called the meeting to order at 4:00 PM.
Present: Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Fadelli, Councilmember Rudnick **Absent:** Councilmember Abelson

1. ORAL COMMUNICATIONS FROM THE PUBLIC
All persons wishing to speak should sign up with the City Clerk. Remarks are typically limited to 3 minutes per person and to items on the special meeting agenda only.
None

2. COMMISSION INTERVIEWS, STATUS AND APPOINTMENTS

Proposed Action: Staff requests that City Council conduct interviews and, at the conclusion o interviews, confer with staff regarding the ongoing recruitments, any remaining vacancies, and the scheduling of further special meetings to conduct interviews (if applicable). Council may decide to make appointments at the conclusion of the meeting.
Contact: Holly M. Charléty, City Clerk, City Management
The city council conducted 10 interviews and made the following appointment:

Moved/Seconded: Councilmember Rudnick/Councilmember Fadelli **Action:** Re- appointed Allison Cooper and Courtney Helion to the Arts and Culture Commission for a partial term ending on 3/1/2025**. Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Fadelli, Councilmember Rudnick **Noes:** None **Absent:** Councilmember Abelson

Moved/Seconded: Councilmember Rudnick/Mayor Quinto **Action:** Re-appointed Kathy Fleming to the Citizens Street Oversight Committee for a full term ending on 3/1/2026**. Ayes:** Mayor Quinto, Councilmember Fadelli, Councilmember Rudnick **Noes:** Mayor Pro Tem Motoyama **Absent:** Councilmember Abelson

Moved/Seconded: Councilmember Rudnick/Councilmember Fadelli **Action:** Re- appointed Vanessa Hill to the Citizens Streets Oversight Committee for a full term ending on 3/1/2026**. Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Fadelli, Councilmember Rudnick **Noes:** None **Absent:** Councilmember Abelson

Moved/Seconded: Mayor Pro Tem Motoyama/Councilmember Fadelli **Action:** Re- appointed Bruce Yow to Civil Service Commission for a partial term ending on 3/1/2023 **Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Fadelli, Councilmember Rudnick **Noes:** None **Absent:** Councilmember Abelson

Moved/Seconded: Councilmember Fadelli/Mayor Quinto **Action:** Appointed Dorian Peters to Civil Service Commission for a partial term ending on 3/1/2025**. Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Fadelli, Councilmember Rudnick **Noes:** None **Absent:** Councilmember Abelson

Moved/Seconded: Mayor Pro Tem Motoyama/Councilmember Rudnick **Action:** Re-appointed Ben Chuaqui to Design Review Board for a full term ending 3/1/2026**. Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Fadelli, Councilmember Rudnick **Noes:** None **Absent:** Councilmember Abelson

Moved/Seconded: Councilmember Rudnick/Mayor Quinto **Action:** Appointed Kimberly White to the Financial Advisory Board for a full term ending 3/1/2026**. Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Fadelli, Councilmember Rudnick **Noes:** None **Absent:** Councilmember Abelson

Moved/Seconded: Mayor Pro Tem Motoyama/Councilmember Rudnick **Action:** Re-appointed Walter Williams to Human Relations Commission for a partial term ending 3/1/2023**. Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama Councilmember Fadelli, Councilmember Rudnick **Noes:** None **Absent:** Councilmember Abelson

Moved/Seconded: Mayor Pro Tem Motoyama/Councilmember Fadelli **Action:** Re-appointed Joy Navarrete to Planning Commission for a full term ending 3/1/2026**. Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama Councilmember Fadelli, Councilmember Rudnick **Noes:** None **Absent:** Councilmember Abelson

3. ADJOURN SPECIAL CITY COUNCIL MEETING

The special meeting adjourned at 7:31 PM

_____

Gabe Quinto, Mayor

This is to certify that the foregoing is a true and correct copy of the minutes of the City Council meeting of February 8, 2022 as approved by the El Cerrito City Council.

_____

Holly M. Charléty, MMC, City Clerk

EL CERRITO CITY COUNCIL DRAFT MINUTES

SPECIAL CITY COUNCIL MEETING
FEBRUARY 15, 2022 – 6:00 p.m.

Members:
Mayor Gabe Quinto

Mayor Pro Tem Lisa Motoyama · Councilmember Janet Abelson
Councilmember Paul Fadelli · Councilmember Tessa Rudnick

Join Via Zoom:
https://us06web.zoom.us/j/84651371586?pwd=MjFCWTlibEgvMkZiWXhUcHl4eERlZz09

Meeting ID: 846 5137 1586 **Password:** 658516
or Dial in: 1-408-638-0968

Pursuant to Executive Order N-29-20, teleconference restrictions of the Brown Act have been suspended, as well as the requirement to provide a physical location for members of the public to participate in the meeting.

This meeting will not be broadcast or livestreamed online. Members of the public may join to provide public comment using the Zoom meeting information listed above.

Public Comments may be submitted one of two ways and are **limited to items on the special meeting agenda only**:

- Via Zoom using the "Raise Hand" icon to request to speak. If joining by phone, dial ***9** to "raise your hand", and when prompted by the host, ***6** to unmute/mute.
- Via email to cityclerk@ci.el-cerrito.ca.us. Email must contain in the subject line **Public Comments – agenda item #.**

To ensure City Council receives your written comments prior to taking action, they must be received by **4:00 p.m. the day of the meeting.** All written comments received by this deadline will be provided to the City Council and posted online in advance of the meeting.

Comments received after the deadline will be provided to the City Council and included with supplemental materials **after the meeting. No written comments will be read into the record.**

6:00 PM **ROLL CALL - CONVENE SPECIAL CITY COUNCIL MEETING**

Mayor Quinto called the meeting to order at 6:00 PM.

Present: Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Abelson, Councilmember Fadelli, Councilmember Rudnick **Absent:** None

1. ORAL COMMUNICATIONS FROM THE PUBLIC

All persons wishing to speak should sign up with the City Clerk. Remarks are typically limited to 3 minutes per person and to items on the special meeting agenda only.

None

2. COMMISSION INTERVIEWS, STATUS AND APPOINTMENTS

Proposed Action: Staff requests that City Council conduct interviews and, at the conclusion of interviews, confer with staff regarding the ongoing recruitments, any remaining vacancies, and the scheduling of further special meetings to conduct interviews (if applicable). Council may decide to make appointments at the conclusion of the meeting.

Contact: Holly M. Charléty, City Clerk, City Management

The City Council conducted 2 interviews and made the following appointment:

Moved/Seconded: Councilmember Rudnick/Councilmember Abelson **Action:** Appointed Rosa Esquivel to the Contra Costa Transportation Authority Citizens Advisory Commission for a term ending on March 1, 2026**. Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Abelson, Councilmember Fadelli, Councilmember Rudnick **Noes:** None

3. ADJOURN SPECIAL CITY COUNCIL MEETING

The special meeting adjourned at 6:42 PM

_____

Gabe Quinto, Mayor

This is to certify that the foregoing is a true and correct copy of the minutes of the City Council meeting of February 15, 2022 as approved by the El Cerrito City Council.

_____

Holly M. Charléty, MMC, City Clerk

EL CERRITO CITY COUNCIL DRAFT MINUTES

REGULAR CITY COUNCIL MEETING
FEBRUARY 15, 2022 – 7:00 p.m.

Members:
Mayor Gabe Quinto

Mayor Pro Tem Lisa Motoyama · Councilmember Janet Abelson
Councilmember Paul Fadelli · Councilmember Tessa Rudnick

Join Via Zoom:
https://us06web.zoom.us/j/86227087076?pwd=Snpsb3F1emFDN1QrT2pyN2phbnJxZz09

Meeting ID: 862 2708 7076 **Password:** 516293
or Dial in: 1-408-638-0968

The City Council may continue to meet by teleconference, consistent with the Brown Act as amended by AB 361 (2021). Under the amended rules, the City will not provide a physical location for members of the public to participate in the teleconference meeting.

Members of the public can watch or listen to City Council meetings as follows:

1. Cable T.V. Broadcast on KCRT Channel 28
2. Radio Broadcast on FM 88.1 Or 97.7
3. Livestream Online at www.el-cerrito.org/CouncilMeetingMaterials
4. Via Zoom using the meeting information listed above.

Each period for public comment will be announced. Public Comments may be submitted one of two ways:

- Via Zoom using the "Raise Hand" icon to request to speak. If joining by phone, dial ***9** to "raise your hand", and when prompted by the host, ***6** to unmute/mute.
- Via email to cityclerk@ci.el-cerrito.ca.us. Email must contain in the subject line **Public Comments – Not on the Agenda** or **Public Comments – agenda item #.**

To ensure City Council receives your written comments prior to taking action, they must be received by **4:00 p.m. the day of the meeting.** All written comments received by this deadline will be provided to the City Council and posted online in advance of the meeting.

Comments received after the deadline will be provided to the City Council and included with supplemental materials **after the meeting. No written comments will be read into the record.**

7:00 P.M. ROLL CALL – CONVENE REGULAR CITY COUNCIL MEETING

Mayor Quinto called the meeting to order at 7:00 PM.

Present: Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Abelson, Councilmember Fadelli, Councilmember Rudnick **Absent:** None

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF A MOMENT OF SILENCE

2. TELECONFERENCE AND PUBLIC COMMENT INSTRUCTIONS

3. COUNCIL/STAFF COMMUNICATIONS

Reports of closed session, commission appointments and informational reports on matters of general interest which are announced by the City Council and staff.

City Manager Pinkos - provided an update on current health orders, mask mandates, city offices public hours, working towards in-person public meetings; introduced the new Finance Director Sandra Dalida.

Councilmember Rudnick - Reported attendance at Cal Cities Public Policy Committee, announced appointment as Vice-Chair of RecycleMore.

Mayor Pro Tem Motoyama - Reported attendance at East Bay Economic Development Alliance meeting, Cal Cities Housing, Community, and Economic Development Policy Committee.

Councilmember Fadelli - Reported attendance at Cal Cities Transportation, Communications and Public Works Policy Committee.

Mayor Quinto - announced appointments recently made on advisory bodies posted on the city's website; reported attendance at Cal Cities Environmental Quality Policy Committee.

4. ORAL COMMUNICATIONS FROM THE PUBLIC

Remarks are typically limited to 3 minutes per person. The Mayor may reduce the time limit per speaker depending upon the number of speakers and may limit the total time for public comment to facilitate the completion of business on the agenda. Comments regarding non-agenda, presentation and consent calendar items will be heard first.

Comments related to items appearing on the Public Hearing or Policy Matter portions of the Agenda will be heard prior to the City Council taking action on each item.

All written comments submitted prior to and during the meeting were posted online as supplemental materials and incorporated into the official meeting record. Written public comments for matters not on the agenda were received from Cordell Hindler and Sue Duncan; and consent item #5C from Michael Fischer and Al Miller.

Oral Public Comments:

Michael Fischer - commented in support of approval for item 5C and the adverse effect of the proposed initiative on ability to fund a new library.

Sue Duncan - spoke regarding wildfire preparedness day proclamation and the need for an ongoing public campaign on fire preparedness.

Linda Cain - welcomed new Finance Director, Sandra Dalida.

5. ADOPTION OF THE CONSENT CALENDAR

All items on the consent calendar shall be acted upon in one motion, unless a member of the City Council or staff request separate consideration.

Moved/Seconded: Mayor Pro Tem Motoyama/Councilmember Abelson **Action:** Approved the consent calendar as indicated below. **Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Abelson, Councilmember Fadelli, Councilmember Rudnick **Noes:** None

A. Authorize City Council and City Advisory Body Meetings to be Held Via Teleconference Pursuant to Assembly Bill 361 (AB 361)

Action Proposed: Adopt a resolution authorizing City Council and City Advisory Body meetings to be held via teleconference for a period of 30 days, and making related findings pursuant to AB 361.

Contact: Holly M. Charléty, City Clerk, City Management

Action: Approved Resolution No. 2022-9

B. Continuation of Emergency Work for Public Safety Building Roof Repair

4/5 Vote Required to Pass

Action Proposed: Adopt a resolution authorizing the continuation of emergency work to repair the Public Safety Building roof.

Contact: Yvetteh Ortiz, Public Works Director/City Engineer, Public Works Department

Action: Approved Resolution No. 2022-10

C. Adopt a Resolution in Opposition to Taxpayer Protection and Government Accountability Act (Initiative No. 21-0042A1)

Action Proposed: At the request of Mayor Quinto, pass a Resolution in Opposition to the Taxpayer Protection and Government Accountability Act (Initiative No. 21-0042A1) regarding new and stricter rules for raising taxes and fees.

Contact: Holly M. Charléty, City Clerk, City Management
Action: Approved Resolution No. 2022-11

6. PRESENTATIONS

A. Public Works Department Update

Action Proposed: Receive and file an operational and fiscal update from the Public Works Department.
Contact: Yvetteh Ortiz, Public Works Director/City Engineer, Public Works Department
Presentation and Discussion: Presenters and staff responded to comments and questions raised by members of the council regarding funding for curb ramps, increasing bus stops with new development, accessibility staff committee, process for requesting sidewalk repairs, sidewalk shaving project, upgrade and charging for use of Electric Vehicle Charging station at City Hall, enhancing process for maintenance requests, long term impacts of staffing requests, Measure H funding priorities, potential grant funds for new traffic signals, update on EBMUD Richmond Street project, and removal of newspaper racks.

Action: Received and filed.

7. PUBLIC HEARINGS

8. POLICY MATTERS

A. Adoption of Code of Conduct for Board, Commission, and Committee Members

Action Proposed: Adopt a resolution to approve revisions to the Code of Conduct for City Board, Commission, and Committee members.
Contact: Holly M. Charléty, City Clerk, City Management
All written comments submitted prior to and during the meeting were posted online as supplemental materials and incorporated into the official meeting record. Written public comments for this item were received from John Stashik and Allison Cooper.

Moved/Seconded: Councilmember Fadelli/Councilmember Rudnick
Action: Approved Resolution No. 2022-12 **Ayes:** Mayor Quinto, Mayor Pro Tem Motoyama, Councilmember Abelson, Councilmember Fadelli, Councilmember Rudnick **Noes:** None

9. CITY COUNCIL LOCAL & REGIONAL LIAISON ASSIGNMENTS

Mayor and City Council communications regarding local and regional liaison assignments and committee reports.

Councilmember Fadelli - provided an update on meetings discussing potentially creating a Joint Powers Authority for East Bay Hills Wildfire Prevention.

10. ADJOURN REGULAR CITY COUNCIL MEETING

The regular meeting adjourned at 9:17 PM.

_____

Gabe Quinto, Mayor

This is to certify that the foregoing is a true and correct copy of the minutes of the City Council meeting of February 15, 2022 as approved by the El Cerrito City Council.

_____

Holly M. Charléty, MMC, City Clerk

EL CERRITO CITY COUNCIL PROCLAMATION

Commending and Congratulating Parent Teacher Association on Its 125th Anniversary

WHEREAS, the Thirty-Second District Parent Teacher Association (PTA) and its local unit and council PTAs, connect families, schools, and communities; and is part of the foundation of the public education system and a trusted messenger to millions of members, parents, families, educators and allied agencies throughout the state and communities; and

WHEREAS, PTA has been instrumental in establishing programs and services to improve children's lives, including, school nutrition programs, child labor laws, public health services, the juvenile justice system, the creation of kindergarten, the advancement of family engagement, and the growth of arts in education; and

WHEREAS, PTA is the nation's largest volunteer-led child-advocacy association working to drive improvements in the education, health, and well-being of all children and families; and

WHEREAS, the founders of the PTA, Phoebe Apperson Hearst and Alice McLellan Birney, and Selena Sloan Butler, were women of imagination and courage who understood the power of individual action, worked beyond the accepted barriers of their day, and took action to literally change the world; and

WHEREAS, founded as the National Congress of Mothers, the PTA celebrates the 125th anniversary of its founding on February 17, 2022; and

WHEREAS, today, California has local PTAs throughout the state and its members represent the ethnic diversity of the nation and come from the ranks of all families who, together, continue to serve as the conscience of the country for children and youth; and

WHEREAS, the Thirty-Second District PTA includes 125 units and 6 councils in the Contra Costa Country.

NOW THEREFORE, the City Council of the City of El Cerrito does hereby commend the association on its 125th anniversary and encourages all residents to celebrate this commemorative event.

Dated: March 1, 2022

_____

Gabe Quinto, Mayor

EL CERRITO CITY COUNCIL PROCLAMATION

Designating the Month of March as "Women's History Month" and March 8, 2022 as "International Women's Day"

WHEREAS, women of every race, class, and ethnic background have made historic contributions to the growth and strength of the United States, the state of California, and the City of El Cerrito in countless recorded and unrecorded ways; and

WHEREAS, women have played and continued to play a critical economic, cultural, and social role in every sphere of the life of our nation and in the City of El Cerrito by constituting a significant portion of the labor force working inside and outside the home; and

WHEREAS, women have played a unique role throughout our history by providing the majority of the volunteer labor force; and women were particularly important in the establishment of early charitable, philanthropic, and cultural institutions in the United States and throughout the Bay Area; and

WHEREAS, women have been leaders, not only in securing their own rights of suffrage and equal opportunity, but also in the abolitionist movement, the emancipation movement, the industrial labor movement, the civil rights movement, and the peace movement, to create a more fair and just society for all; and

WHEREAS, locally, women have played a key role in the City of El Cerrito's history as leaders in the community, in our schools and universities, and at City Hall; and the City proudly recognizes the importance of issues affecting women and girls and supports further sustainable change in their well-being and advancement; and

WHEREAS, International Women's Day is celebrated globally on March 8th and addresses the social, economic, and political barriers still facing women and girls while celebrating their achievements and the progress that have been made in support of women's equality.

NOW THEREFORE, the City Council of the City of El Cerrito does hereby proclaim March 2022 as Women's History Month and March 8, 2022 as International Women's Day in the City of El Cerrito, and encourages residents to reflect on, honor, and celebrate the history, courage, commitment, accomplishments, and contributions of women, not only in El Cerrito but throughout America.

Dated: March 1, 2022

_____

Gabe Quinto, Mayor

EL CERRITO CITY COUNCIL PROCLAMATION
Designating March 2022 as Prescription Drug Abuse Awareness Month

WHEREAS, when used as prescribed by a doctor, prescription medicines such as stimulants, sedatives and opioids can be helpful in treating many illnesses, but when these medications are misused, they can have serious consequences; and

WHEREAS, anyone who takes prescription opioids can become addicted to them. In fact, as many as one in four patients receiving long-term opioid therapy in a primary care setting struggles with opioid use disorder (OUD); and

WHEREAS, prescription opioid overdose deaths also often involve benzodiazepines. Benzodiazepines are central nervous system depressants used to sedate, induce sleep, prevent seizures, and relieve anxiety. The Centers for Disease Control and Prevention (CDC) recommends avoiding taking benzodiazepines while taking prescription opioids whenever possible; and

WHEREAS, in 2020 in Contra Costa County there were 478,723 opioid prescriptions given to patients which is an age-adjusted rate of 347.4 per 1,000 residents, higher than the state rate of 333.3; and

WHEREAS, overdose deaths from synthetic opioids (primarily illicitly manufactured fentanyl), psychostimulants such as methamphetamine and cocaine deaths also increased in the 12-month period ending in April 2021 as did deaths from natural and semi-synthetic opioids (such as prescription pain medication); and

WHEREAS, it is estimated that the “economic burden” of prescription opioid misuse alone in the United States is $78.5 billion a year, including the costs of healthcare, lost productivity, addiction treatment, and criminal justice involvement; and

WHEREAS, the City of El Cerrito supports April 30, 2022 as “National Prescription Drug Take Back Day” as declared by the DEA and encourages residents to locate their local collection site via www.dea.gov and safely dispose of their accumulated expired and unwanted prescription drugs that day and throughout the year; and

WHEREAS, the Contra Costa County Medication Education and Disposal Safety (MEDS) Coalition engages youth and adult stakeholders from across the county to participate in Prescription Drug Abuse Awareness Month activities to raise about prescription drug safety awareness, promote safe medication storage and disposal and ensure naloxone is available for those at high risk of opioid related overdose.

NOW THEREFORE, the City Council of the City of El Cerrito does hereby proclaim March 2022 as Prescription Drug Abuse Awareness Month in the City of El Cerrito and encourages all community members to participate in prescription drug abuse related prevention activities and pledge to, “Spread the Word… One Pill Can Kill.”

Dated: March 1, 2022

_____

Gabe Quinto, Mayor

EL CERRITO CITY COUNCIL PROCLAMATION

Recognizing March as American Red Cross Month in the City of El Cerrito

WHEREAS, in times of crisis, people in El Cerrito, California come together to care for one another. This humanitarian spirit is part of the foundation of our community and is exemplified by American Red Cross volunteers and donors. March is American Red Cross Month, a special time to honor the kindness of our volunteers and neighbors who aid families in need every day as they carry out the organization's 140-year mission of preventing and alleviating suffering; and

WHEREAS, despite the ongoing challenges presented by the COVID-19 pandemic, people have stepped up to help others in need. Whether it was responding to this year's record-breaking wildfires, horrific tornadoes, extreme winter storm cold waves or summer heat waves, volunteers continued to roll up their sleeves to give blood when our country faced a severe blood shortage; and

WHEREAS, last year in Contra Costa County, 518 families affected by 130 devastating home fires, relied on the American Red Cross and our partners for comfort and hope, providing emotional support, addressing immediate needs and helping families recover with emergency financial assistance or community resources. Through our Sound the Alarm program we made 108 households safer by helping residents create a fire evacuation plan; and

WHEREAS, Contra Costa County residents donated 17,277 units of lifesaving blood; hosted 788 blood drives, including working several partner sponsored diverse blood drives to help the fight against Sickle Cell Anemia. 8,486 local community members took classes to learn skills like first aid and CPR that save lives; 910 military members and their families received support and services; and humanitarian aid was provided internationally; and

WHEREAS, Red Cross volunteers deployed 552 times, dedicating 61,930 volunteers' hours to assist neighbors in California and around the country during 41 different disaster relief operations of all sizes, including wildfires in Oregon and California and Hurricane Ida; and

WHEREAS, their work to prevent and alleviate human suffering is vital to strengthening our community's resilience.

NOW THEREFORE, the City Council of the City of El Cerrito does hereby proclaim March 2022 as American Red Cross Month in the City of El Cerrito and encourages all Americans to support this organization and its noble humanitarian mission.

Dated: March 1, 2022

_____

Gabe Quinto, Mayor

EL CERRITO CITY COUNCIL PROCLAMATION

Designating March 7 through March 14, 2022 as Arbor Week

WHEREAS, the first documented Arbor Day was held in 1594 in the Spanish village of Mondonedo, and was initiated in America in 1872 by J. Sterling Morton, who proposed that a special day be set aside for the planting of trees, being quoted as saying “Other holidays focus upon the past; Arbor Day focuses on the future”; and

WHEREAS, the American Arbor Day, was first observed in April 1872 with the planting of one million trees in Nebraska and is now observed on seasonally appropriate dates throughout the world; and

WHEREAS, in California, Arbor Day is observed in March, as part of California Arbor Week starting on the birthday of Luther Burbank, a prodigious California plant breeder who enhanced the diversity, beauty, disease resistance and flavor of ornamental and edible plants by producing hundreds of new varieties of plants and trees; and

WHEREAS, trees planted in urban areas play a significant role in meeting the State’s greenhouse gas emission reduction targets and the City’s Climate Action Plan by sequestering carbon as well as reducing energy consumption; and

WHEREAS, trees directly contribute to improving air quality by reducing air pollution, removing airborne particulates from the atmosphere, and helping to purify the air; and

WHEREAS, trees play a significant role in maintaining water resources by reducing surface runoff, preserving water quality, and protecting urban water resources; and

WHEREAS, trees provide essential habitats for much of California’s wildlife, including many listed, threatened, and endangered species; and

WHEREAS, trees enhance the aesthetic quality of life in urban communities by providing a natural buffer for surface noise and natural recreational resources for California’s children, youth, and families; and

WHEREAS, a healthy and thoughtfully developed and managed urban forest is a valuable and distinctive natural resource, augmenting the economic base through the provision of resources, community character, and enhancement of the living environment; and

WHEREAS, in order to support the City’s urban forest, in 2019 the City of El Cerrito adopted an amended Public Tree and Shrub Ordinance to protect public trees, set guidelines for planting, pruning, and removal, and to define the elements of the City’s urban forestry program; and

WHEREAS, resulting from that effort, in January 2020, the City of El Cerrito achieved recognition from the Arbor Day Foundation as a Tree City USA for the first time, by meeting four established standards of sound urban forestry management; and

WHEREAS, the City of El Cerrito met the Tree City USA standards for a 3rd year in January 2022; and

WHEREAS, in becoming a Tree City USA, the City of El Cerrito joined a nationwide movement of more than 3,500 communities that have made the commitment to manage and expand their urban forest by maintaining a tree board or department, having a community tree ordinance, spending at least $2 per capita on urban forestry, and maintaining an annual Arbor Day observance and proclamation.

NOW THEREFORE, the City Council of the City of El Cerrito does hereby proclaim March 7 through March 14, 2022, as El Cerrito Arbor Week and urges all citizens to observe and celebrate by planting and caring for trees and participating in City Arbor Week activities for our own benefit and for the benefit of future generations.

Dated: March 1, 2022

_____

Gabe Quinto, Mayor

AGENDA BILL

Agenda Item No. 5.G.

Date: March 1, 2022
To: El Cerrito City Council
From: Stephen Prée, Environmental Programs Manager/City Arborist, Public Works Department; Will Provost, Operations and Environmental Services Division Manager, Public Works Department; Yvetteh Ortiz, Public Works Director/City Engineer, Public Works Department
Subject: Urban Forest Committee Appointment

ACTION PROPOSED

Approve an Urban Forest Committee recommendation to appoint Susan Kuchinskas to the Urban Forest Committee, effective March 1, 2022.

BACKGROUND/ANALYSIS

Susan Kuchinskas submitted her application to serve on the Urban Forest Committee (UFC) on January 22, 2022. During the February 14, 2022, regular meeting of the UFC, the Committee voted to recommend to the City Council that Ms. Kuchinskas be appointed to the Committee.

Susan Kuchinskas has been an El Cerrito resident for six years. She has a Master of Arts degree in creative writing and is an organic gardener and beekeeper. She is experienced with Word Press, website design and business writing. As stated in her UFC application, she loves the plants and wildlife in El Cerrito, she appreciates the rain gardens on San Pablo Avenue, and she wants to encourage more tree planting and conservation, including more green space in new housing developments.

Ms. Kuchinskas attended two of the last three UFC meetings, prior to submitting an application, as required for appointment. If the City Council approves this recommendation, the number of Urban Forest Committee members will be seven (7) out of a possible membership total of fifteen (15).

STRATEGIC PLAN CONSIDERATIONS

The work of the UFC members helps the City achieve Goal C of the El Cerrito Strategic Plan, to "Deepen a sense of place and community identity" and Goal F, which is to "Foster environmental sustainability citywide."

ENVIRONMENTAL CONSIDERATIONS

As stated in its enabling Resolution 2007-96, the Urban Forest Committee was established to assist the City in the "stewardship of its urban forest, including establishing a citywide commitment to a healthy, growing forest, and creating a coordinated, high quality forest management program." The Urban Forest Committee supports the City in developing programs and policies that help protect the local

environment, while also engaging in activities that have a direct impact on trees and environmental quality (e.g., tree planting).

FINANCIAL CONSIDERATIONS
This section is not applicable to this agenda item.

LEGAL CONSIDERATIONS
This section is not applicable to this agenda item.

Reviewed by:

Alexandra Orologas, Assistant City Manager

Attachments:
Application(s) on file with the City Clerk

RESOLUTION 2022-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO RECOGNIZING MARCH 10, 2022 AS “TIBET DAY” IN THE CITY OF EL CERRITO AND AFFIRMING SUPPORT TO THE PEOPLE OF TIBET

WHEREAS, On March 10, 2022, Californians, including Tibetan Americans, residing in El Cerrito and surrounding regions will gather to commemorate the 63rd anniversary of the Tibetan National Uprising against Chinese invasion and occupation of Tibet; and

WHEREAS, the City of El Cerrito has a diverse ethnic population, including Tibetan Americans, who are concerned about human rights and freedom in the United States and throughout the world, and

WHEREAS, the United States has a long history of support to the Tibetan people, including the passage of the Tibetan Policy Act of 2002 (subtitle B of title VI of Public Law 107–228; 22 U.S.C. 6901 note), signed into law on September 30, 2002, which encapsulates policy and programmatic initiatives and supports the aspirations of the Tibetan people to safeguard their distinct identity; and

WHEREAS, on October 17, 2007, His Holiness the 14th Dalai Lama was awarded the Congressional Gold Medal in recognition of his many enduring and outstanding contributions to peace, nonviolence, human rights, and religious understanding; and

WHEREAS, the Tibetans living in El Cerrito was pleased to welcome His Holiness the Dalai Lama, a true champion of world peace and religious harmony, when he visited the Tibetan Community Center in Richmond in February 2014; and

WHEREAS, The State Department’s 2017 Country Reports on Human Rights Practices said this about the situation in Tibet: “The most significant human rights issues included: disappearances; torture by government authorities; arbitrary detentions, including political prisoners; and government curtailment of the freedoms of speech, religion, association, assembly, and movement”; and

WHEREAS, Tibetan Americans, including those residing in El Cerrito City, have been expressing concern at the Chinese Government’s:

(1) travel restrictions against Tibetans and United States citizens;
(2) restrictive regulations on religious affairs in Tibet;
(3) censorship of Buddhist literature and information in Tibet;
(4) demolition of Tibetan Buddhist sites;
(5) imprisonment of Tibetan prisoners of conscience; and
(6) declarations that “Decision-making power over the reincarnation of the Dalai Lama and over the end of survival of his lineage resides with the central government of China”;

WHEREAS, Tibetan Americans residing in California have been facing discriminations at the hands of Chinese consulates while applying for visas to visit Tibet; and

WHEREAS, the Reciprocal Access to Tibet Act (passed by Congress) signed into law by President Donald Trump on December 19, 2018 highlights China's attempts to isolate Tibet and seeks to promote access for United States diplomats and other officials, journalists, and other citizens, including Tibetan Americans, to Tibet; and

WHEREAS, since 2009, 155 Tibetans have self-immolated to protest against China's rule in Tibet and most Tibetans publicly call for the return of the Dalai Lama to Tibet;

WHEREAS, the City of El Cerrito has a long history of support for Tibet and the Tibetan people; and

WHEREAS, The El Cerrito City Council affirms the determination of the Tibetan people in Tibet and outside, including the Tibetan Americans, to retain their heritage and protect it from destruction against overwhelming odds through non-violent and peaceful means:

NOW, THEREFORE BE IT RESOLVED by the El Cerrito City Council that March 10, 2022, the 63rd anniversary of the Tibetan national uprising, shall be officially recognized as "Tibet Day."

BE IT FURTHER RESOLVED that El Cerrito City Council supports the initiatives on Tibet in the United States Congress.

BE IT FURTHER RESOLVED, that the City of El Cerrito stands in solidarity with His Holiness the Dalai Lama, the Tibetan people and their just, peaceful and non-violent movement to remind the world of the occupation and ongoing suppression of human rights and freedom in Tibet and the continuous degradation of culture, religion, land and identity of the Tibetan people by China.

BE IT FURTHER RESOLVED that this resolution shall become effective immediately upon passage and adoption.

I CERTIFY that at a regular meeting on March 1, 2022 the City Council of the City of El Cerrito passed this Resolution by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on March _____, 2022.

_____
Holly M. Charléty, City Clerk

APPROVED:

_____
Gabe Quinto, Mayor

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021

10890 San Pablo Ave. El Cerrito, CA 94530
www.el-cerrito.org

INTRODUCTORY SECTION

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City of El Cerrito
Annual Comprehensive Financial Report
For the year ended June 30, 2021

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March XX, 2022

Honorable Mayor, Members of the City Council, and Residents of El Cerrito:

I hereby submit this Annual Comprehensive Financial Report (ACFR) of the City of El Cerrito for the fiscal year ended June 30, 2021. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with City Management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities. This transmittal letter is intended to be read in conjunction with the Management Discussion and Analysis (MD&A) and the Financial Statements.

REPORTING ENTITY

The City of El Cerrito provides a full range of services, including police and fire protection, building permits and inspections, parks and recreation facilities and services, planning and environmental services, construction and maintenance of streets, public buildings, and other infrastructure, and operation of a state of the art Recycling Center. The activities of several legally separate entities are included in the City's financial statements. The City serves as the reporting body for these entities, including the City of El Cerrito Employees' Pension Plan, the Municipal Services Corporation and the El Cerrito Public Financing Authority. The City is financially accountable for these entities since the City Council serves as the separate Board of Directors for each entity and City staff has operational responsibility for the activities of each entity. All these entities are included in the City's financial statements as part of the reporting entity.

CITY PROFILE

The City of El Cerrito is located in Contra Costa County in the San Francisco Bay Area, across the Bay from the City of San Francisco in an area locally referred to as the East Bay. The City consists of about 3.9 square miles and has approximately 25,500 residents. El Cerrito is part of the West Contra Costa Unified School District (WCCUSD), which also serves other west Contra Costa County Communities. In El Cerrito, WCCUSD operates one early intervention preschool, three public elementary schools, one public middle school, and one public high school. The City has a variety of green spaces for public enjoyment including 32 acres of developed park grounds, over 100 acres of open space in the hillside natural area, a 2.7-mile multi-use trail known as the Ohlone Greenway, school recreation facilities, the privately-owned Berkeley Country Club (127 acres) and Boy Scouts of America's Camp Herms (18 acres). A portion of the Sunset View Cemetery and the City's eastern boundary are contiguous with the East Bay Regional Park District's Wildcat Canyon Regional Park (about 2,600 acres). El Cerrito also has a regional office of the California Department of Motor Vehicles, two Bay Area Rapid Transit (BART)

Stations, a major regional shopping center, 5 banks, 17 churches, and some of the most spectacular views of four Bay Area bridges, San Francisco, and the surrounding area.

ECONOMIC CONDITION AND OUTLOOK

In FY 2021, City Management continued to tackle the City's structural financial issues and lack of General Fund reserves while addressing the impacts of the COVID-19 coronavirus global pandemic. This public health crisis has changed the lives of El Cerrito residents and people around the world as extraordinary health and safety measures have been implemented, and the closure of businesses throughout California and the U.S. has placed the economy into uncharted financial territory.

El Cerrito is fortunate to have well-diversified and resilient sources of revenues. During the FY 2021 budget process, revenue estimates were revised downward to factor in the economic impact of the pandemic on the economy and drastic budget reductions were enacted to address the negative General Fund balance. However, revenues did not decrease as forecasted and instead grew during FY 2021. Additionally, the American Rescue Plan Act (ARPA) included $6.1 million to El Cerrito paid over two years to primarily address revenue loss and other needs due to the pandemic. FY 2021 includes $3.05 million in ARPA dollars that have been used for general government expenditures as allowed per the U.S. Treasury Final Rule relating to ARPA funds.

The result is an amazing turnaround in the General Fund netting an ending fund balance of $7.1 million, or 18% of FY 2021 expenditures, exceeding both the City's policy of a minimum fund balance reserve of 10% and the GFOA-recommended 17% of expenditures. Revenues and transfers exceed prior year by $6.1 million and the FY 2021 Budget by $7.0 million. Expenditures include a one-time expenditure item of $1.3 million related to a Successor Agency write-off and as a result were $0.5 million higher than the budget. However, expenditures were $1.2 million below FY 2020 actual expenditures including the write-off.

The challenges the City has faced over this fiscal year have continued but there are many positive changes that occurred. City Management is justifiably proud of the work that we have collectively done so far, to identify problems and focus on solutions. We have taken a large step forward this fiscal year to bring the City toward financial sustainability, adapt and adjust our programs and services with the public's health as the highest priority, and deliver those services in a manner that respects and values the lives of the people we serve. All City departments continue to explore new ways of delivering services and many developed innovative solutions, while staying true to our vision, mission, and values. The most essential of our services continue, allowing us to stay flexible to adapt to what we hope will be continuing improvement of economic and health conditions in the next fiscal year. Going forward the City's focus will be on sustainability, seeking to continue the positive trajectory of our fiscal health by thoughtfully and strategically restoring services as resources allow, while maintaining a healthy General Fund balance and adhering to the City's financial policies.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Despite the ongoing COVID-19 restrictions and impacts, the City remained committed to providing high quality services with a focus on long-term viability and was able to

accomplish many noteworthy projects across departments. Significant selected accomplishments for the year include:

- Facilitated reopening plans in accordance with the Centers for Disease Control (CDC), State of California, Contra Costa County, and Cal-OSHA regulations.

- Worked with the City's bargaining units to realign expenditures to meet reduced revenue targets resulting from the COVID-19 pandemic and implemented various structural budget reductions and cost saving measures Citywide via the adopted Fiscal Recovery Plan.

- Provided mutual aid emergency responses around the state, supported responses to major wildland fires with no injuries or damage to apparatus, and was fully reimbursed by the state and federal governments.

- Secured grants to complete a Soft Story Inventory, the San Pablo Avenue Specific Plan Update and to accelerate housing production (complete the Housing Element, technology upgrades and to develop pre-approved Accessory Dwelling Unit Plans).

- Collaborated with BART to develop a Request for Qualifications and select the development team for Transit Oriented Development of the El Cerrito Plaza BART station into a mixed-use project with ground floor commercial on Fairmont Avenue, affordable housing, and a potential library; initiating the process to fulfill a long-term City goal to focus on catalyzing development downtown.

- Issued City's second Cannabis Operating Permit and completed an update to the City's Accessory Dwelling Unit (ADU) ordinance.

- Implemented an online "eTRAKit" Portal, established electronic application submittal, and implemented new systems to maximize efficiencies in permitting and inspections for the Building and Planning Divisions.

- Advanced implementation of the San Pablo Avenue Specific Plan Update including public engagement for the Environmental Impact Report and completed Administrative Draft.

- Oversight of building inspection for five new multifamily development projects totaling 272 new residential units and 12,700 square feet of new commercial plus three new live-work spaces.

- Certificates of Occupancy were issued for Cerrito Vista Apartments, El Dorado townhomes, and Credence Condominiums, with Mayfair Station pending.

- Provided safe Recreation program options to the public that complied with the Contra Costa County Health Order during the ongoing COVID-19 pandemic including summer day camps, swimming opportunities, play field permits, paratransit rides for seniors for essential appointments and shopping needs, weekly meal delivery of lunches to seniors, and enhanced virtual options to the community providing free resources for families and people of all ages.

- Began implementation of measures to comply with increasing state mandates related to integrated waste management, focusing on SB 1383 (Short-Lived Climate Pollutants: Organic Waste Methane Emissions Reductions) and most notably adopting an enforceable ordinance prior to January 1, 2022.

- Planned for implementation of a reissued Clean Water Program National Pollutant Discharge Elimination Program Municipal Regional Permit that will include a variety of increasing state mandates.

- Approval of an Expanded Foodware Ordinance that banned single-use plastics in El Cerrito restaurants and businesses.

- Began new efforts related to homelessness including regular interdepartmental coordination, new standard operating procedures for identifying resources for individuals experiencing homelessness, and addressing public health and safety issues at encampments including three significant clean-up efforts along the Ohlone Greenway.

FINANCIAL INFORMATION

Accounting System

The City's accounting and budgeting records for general government operations are recorded on a modified accrual basis, with the revenues being recognized when available and measurable, and expenditures being recorded when the service or goods are received, and the liabilities are incurred. Accounting and budgeting for the City's proprietary funds are maintained on the accrual basis.

Non-exchange transactions in which the City gives or receives value without directly receiving or giving equal value in exchange include taxes, grants entitlements and donations. On an accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been met.

The City maintains an internal control structure designed to provide reasonable assurance that the City's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of

a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls

The City of El Cerrito maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, capital projects funds, debt service funds, and proprietary funds are included in the annual appropriated budget. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level.

Only the City Council has the authority to create or modify total appropriations of any fund, subject to only the appropriations limits established by State law. The City Council approved various supplemental appropriations during the year. The statements and schedules included in the financial section of this report indicate that the City continued to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit

The City Council selects an independent certified public accounting firm to perform a required annual audit of the City's financial records and transactions. Such an audit is also required through covenants related to the City's bonded indebtedness. The City has contracted with Badawi & Associates, an independent auditor, to perform the audit and prepare the financial section of this report.

Acknowledgments

The preparation of this Annual Comprehensive Financial Report was made possible by the work of Citywide staff and our audit firm, Badawi & Associates. I wish to thank and acknowledge the work of Senior Accountant Lucy Xie, Christopher Bigham of Management Partners consulting firm, and the Finance Department staff who made every effort to bring this audit to a conclusion.

I would also like to thank the Mayor and the City Council for their outstanding leadership and ongoing commitment to the El Cerrito community.

Respectfully submitted,

Karen E. Pinkos
City Manager

CITY OF EL CERRITO

JUNE 30, 2021

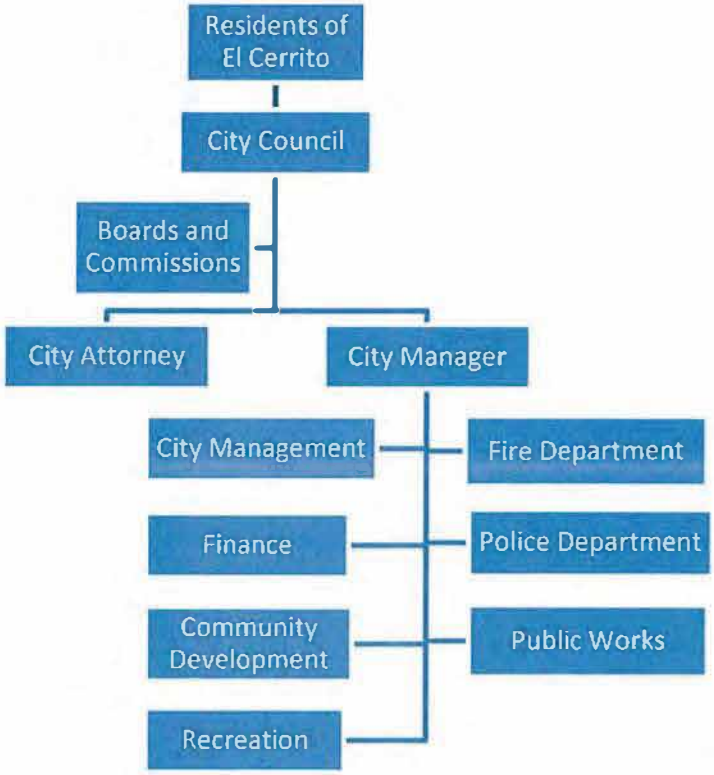
Elected City Council

Mayor	Paul Fadelli
Mayor Pro Term	Gabe Quinto
City Council Member	Lisa Motoyama
City Council Member	Tessa Rudnick
City Council Member	Janet Abelson

Appointed Department Heads

City Manager	Karen Pinkos
City Attorney	Sky Woodruff
Assistant City Manager	Alexandra B. Orologas
Chief of Police	Paul Keith
Fire Chief	Michael Pigoni
Community Development Director	Melanie Mintz
Finance Director/ City Treasurer	Mark R Rasiah
Public Works Director/ City Engineer	Yvetteh Ortiz
Recreation Director	Chris Jones
City Clerk	Holly Charlety

City of El Cerrito Organization Chart



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BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of El Cerrito
El Cerrito, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Cerrito, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Address: 2855 Telegraph Avenue, Suite 312 Berkeley, CA 94705 • Phone: 510.768.8251 • Fax: 510.768.8249

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension required supplementary information, and other post-employment benefits information on pages 3–15 and 89–94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated Month XX, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Badawi and Associates
Berkeley, California
June 30, 2021

CITY OF EL CERRITO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

This section of the City of El Cerrito's annual financial report presents Management's discussion and analysis of the financial performance of the City and its component units during the fiscal year ended June 30, 2021. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year (FY 2021), City assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $16.79 million. The City's net position increased by $4.73 million from $12.06 million to $16.79 million (Table A-1). Of the $16.79 million in net position, $55.33 million was invested in capital assets net of related debt.

- Program revenues for Governmental Activities increased by $3.21 million and program revenues for Business-type Activities increased by $.42 million during FY 2021. General Revenues, mainly from property taxes, real property transfer taxes and sales taxes, increased by $3.42 million for a total increase in revenue by $7.05 million that contributed to the total City net position in FY 2021. (Table A-2).

- Expenses in FY 2021 decreased by $3.46 million to the previous year due to savings in general government, recreation and safety departments offset by an increase in community development. Expense reductions were implemented in FY 2021 for general government departments and there was a reduction of Recreation programming expenses as a result of the operational impact of the pandemic. (Table A-2).

- Total General Fund revenues of $43.19 million exceeded the final budget by $5.22 million (Table A-3) and exceeded prior year's revenues of $39.98 million by $3.21 million, due to increased property taxes and taxes other than property taxes, specifically revenue from real property transfer tax and sales and use taxes. The budget for charges for services were significantly reduced because of reduced programming in the Recreation Department due to COVID-19 protocols. However, there was an uptick in revenue and charges for services exceeded the final budget by $0.17 million.

- Total General Fund expenditures were $37.21 million (Table A-3), a decrease of $2.48 million over the prior year of $39.69 million as a result of a hiring freeze and budget reductions in General Government departments, specifically the City Manager's office, Finance Department, and the City Attorney's office, as well as the Police Department. Also, Recreation Department expenses were $1.52 million less than FY 2020 due to reduced program expenditures as a result of the pandemic.

- During FY 2021, there was a write-off of a General Fund Advance to the El Cerrito Successor Agency in the amount of $1.32 million. There is a footnote that further explains the write-off and this amount is included as a special item in the analysis.

- The City of El Cerrito received its first tranche of the American Rescue Plan Act (ARPA) funds to be used for general government expenditures. The amount of $3.05 million is included as part of the transfers in for FY 2021.

- The General Fund ended the year with a total fund balance of $7.14 million, an increase of $7.25 million over the FY 2020 fund balance of negative $0.11 million. Actual revenues increased while expenditures were managed during the year that primarily contributed to this positive shift.

- As a result of the fund balance at 19% of estimated expenditures and a positive trend in both revenue and expenditures, the "Going Concern" designation by Badawi and Associates is no longer included in the FY 2021 ACFR.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report includes a transmittal letter, management's discussion and analysis and statistical information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS. **(pages 21-23)** The government-wide financial statements are designed to provide readers with a broad overview of the City's and component units' finances, in a manner similar to statements of a private-sector business and include the Statement of Net Position and the Statement of Activities.

The **statement of net position** presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the City and component units that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City and component units include public safety (police and fire), streets, recreation, parks, planning, community development, and general administrative support. The City also operates one business-type activity: recycling.

Component units are included in the basic financial statements and consist of legally separate entities for which the City is financially accountable or that have either the same governing board as the City or a governing board appointed by the City of El Cerrito City Council. The blended component units include the El Cerrito Municipal Services Corporation (MSC), the El Cerrito Employees' Pension Plan, and the El Cerrito Public Financing Authority (PFA).

FUND FINANCIAL STATEMENTS. (pages 28-39). The fund financial statements provide more detailed information about the City's most significant funds—not the City as a whole. Funds are accounting devices that the City uses to segregate sources of funding and spending restricted for a particular purpose. State law requires some funds, by bond covenants, administer the funds of component units with separate governing boards.

Governmental funds **(pages 28-31)** Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Governmental funds can have unrestricted or restricted purposes or can be available for use only by a legally separate entity that is a component unit. Because this information

does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

Proprietary funds. **(pages 34-36)** Services for which the City charges customers fees are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The City's predominant proprietary fund is the Integrated Waste Management Fund, which accounts for the City's recycling programs. The City also uses an internal service fund to report activities related to the replacement of vehicles and major equipment items.

Fiduciary funds. **(pages 38-39)** The City is the trustee, or fiduciary, for certain funds. The City is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position.

We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Notes to the Basic Financial Statements. (pages 43-85) The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statement and accompanying notes, supplementary information on major and non-major funds is presented in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The *statement of net position* and *statement of activities* of the City's governmental activities and business-type activities are presented below in Tables A-1 and A-2.

Statement of Net Position. The net position serves as an indicator of a government's financial position. As noted earlier in the Financial Highlights, El Cerrito's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $16.79 million at June 30, 2021, representing a $4.73 million increase over the prior year. This follows an increase in total assets of $1.94 million, an increase of deferred outflows of assets of $0.52 million, an increase of total liabilities of $2.72 million, and a decrease in deferred inflows of $1.92 million, primarily related to the implementation of GASB 75 that requires the recognition of the City's net OPEB liability and an increase in the City's net pension liability. Total assets increased mainly from the large increase in

current assets offset by an increase in accumulated depreciation that reduced the total capital assets.

Table A-1 Net Position

	Governmental Activities		Business-type Activities		Total		Total Change
	FY 20-21	FY 19-20	FY 20-21	FY 19-20	FY 20-21	FY 19-20	
Assets							
Current and other assets	$ 35,330,642	$ 31,101,943	$ 1,264,886	$ 484,421	$ 36,595,528	$ 25,766,579	$ 10,828,949
Capital assets	126,862,249	126,862,249	5,093,295	5,093,295	131,955,544	129,186,757	2,768,787
Accumulated Depreciation	(57,311,937)	(57,311,937)	(1,834,026)	(1,834,026)	(59,145,963)	(47,486,159)	(11,659,804)
Total Assets	104,880,954	100,652,255	4,524,155	3,743,690	109,405,109	107,467,177	1,937,932
Deferred Outflows of Resources	16,717,937	16,191,773	44,580	53,495	16,762,517	16,245,268	517,249
Liabilities							
Current and other liabilities	15,021,659	16,679,613	511,194	513,282	15,532,853	17,192,895	(1,660,042)
Long-term liabilities	91,512,513	86,775,887	1,298,198	1,654,344	92,810,711	88,430,231	4,380,480
Total Liabilities	106,534,172	103,455,500	1,809,392	2,167,626	108,343,564	105,623,126	2,720,438
Deferred Inflows of Resources	1,034,151	2,953,707			1,034,151	2,953,707	(1,919,556)
Net Position							
Net investment in capital assets	53,652,456	54,638,042	1,679,420	1,477,133	55,331,876	56,115,175	(783,299)
Restricted	15,859,381	15,240,589			15,859,381	15,240,589	618,792
Unrestricted	(55,481,269)	(59,443,810)	1,079,923	152,426	(54,401,346)	(59,291,384)	4,890,038
Total Net Position	$ 14,030,568	$ 10,434,821	$ 2,759,343	$ 1,629,559	$ 16,789,911	$ 12,064,380	$ 4,725,531

The largest portion of the City's net position is its investment in capital assets such as streets, sidewalks, parks, and City-owned buildings less any outstanding debt used to acquire those assets. These investments amount to $55.33 million and are used to provide services to the public. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided for from other sources (future revenues), since the capital assets themselves cannot be used to liquidate liabilities. An additional $15.86 million of the City's net position represents resources that are subject to external restrictions on their use. Other restricted net positions include money available for appropriation by the City or Corporation for restricted purposes.

At the end of the fiscal year June 30, 2021, the City reported positive balances in net investment in capital assets and restricted net position. However, for the City as a whole, the unrestricted balance was a negative $54.40 million. It mainly is from the

Governmental Activities, which was a negative $55.48 million, and the rest of unrestricted net position was from Business-type Activities, which was a positive of $1.08 million since the City adopted new rates for the Integrated Waste Management Fund.

Statement of Activities. The Statement of Activities provides information about all the City's revenues and expenses, with an emphasis on measuring net revenues or expenses in each of the City's programs and explains in detail the change in Net Position for the year.

Table A-2 Changes in Net Position

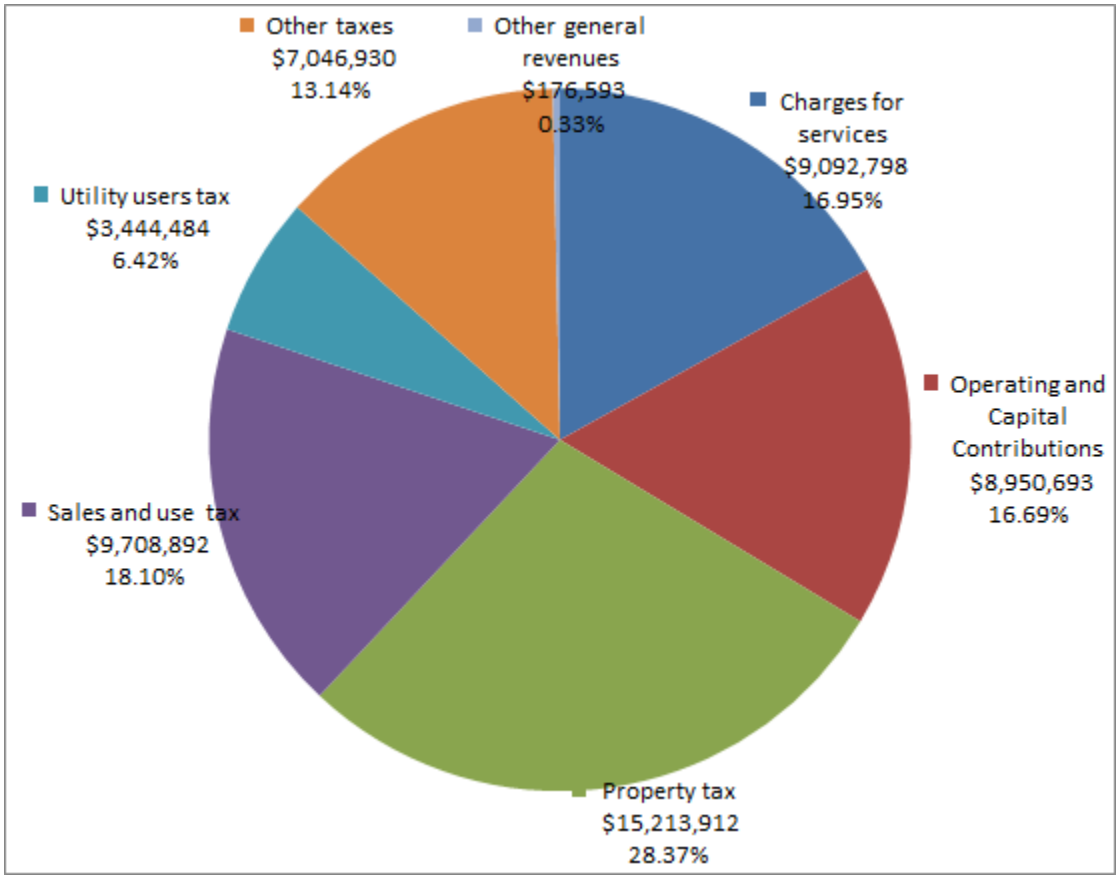
	Governmental Activities		Business-type Activities		Total		Total Change
	FY 20-21	FY 19-20	FY 20-21	FY 19-20	FY 20-21	FY 19-20	
Program revenues							
Charges for services	$ 9,092,798	$ 9,737,003	$ 3,779,477	$ 3,337,310	$ 12,872,275	$ 13,074,313	$ (202,038)
Operating contributions and grants	5,632,909	2,329,117	16,784	40,201	5,649,693	2,369,318	3,280,375
Capital contributions and grants	3,317,784	2,767,468			3,317,784	2,767,468	550,316
General revenues							
Property tax	15,213,912	14,381,441			15,213,912	14,381,441	832,471
Sales and use tax	9,708,892	8,134,818			9,708,892	8,134,818	1,574,074
Utility users tax	3,444,484	3,165,974			3,444,484	3,165,974	278,510
Other taxes	7,046,930	6,145,699			7,046,930	6,145,699	901,231
Other general revenues	176,593	344,875			176,593	344,875	(168,282)
Total Revenues	53,634,302	47,006,395	3,796,261	3,377,511	57,430,563	50,383,906	7,046,657
Expenses							
General government	5,811,523	6,853,922			5,811,523	6,853,922	(1,042,399)
Public works	7,677,819	8,041,340			7,677,819	8,041,340	(363,521)
Recreation	4,691,509	6,579,645			4,691,509	6,579,645	(1,888,136)
Community development	3,452,703	2,881,181			3,452,703	2,881,181	571,522
Public safety	26,208,413	26,853,126			26,208,413	26,853,126	(644,713)
Interest on long term debt	879,070	844,041			879,070	844,041	35,029
Integrated waste management			2,662,806	2,793,637	2,662,806	2,793,637	(130,831)
Total expenditures	48,721,037	52,053,255	2,662,806	2,793,637	51,383,843	54,846,892	(3,463,049)
Excess (deficiency) of revenues over expenses before transfers and Special items	4,913,265	(5,046,860)	1,133,455	583,874	6,046,720	(4,462,986)	10,509,706
Special Items	(1,321,189)	-			(1,321,189)	-	(1,321,189)
Transfers	3,671	3,671	(3,671)	(3,671)	-	-	-
Increase (decrease) in net position	3,595,747	(5,043,189)	1,129,784	580,203	4,725,531	(4,462,986)	9,188,517
Beginning Net Position	10,434,821	15,478,010	1,629,559	1,049,356	12,064,380	16,527,366	(4,462,986)
Ending Net Position	$ 14,030,568	$ 10,434,821	$ 2,759,343	$ 1,629,559	$ 16,789,911	$ 12,064,380	$ 4,725,531

The City's total revenues were $57.43 million for the year ended June 30, 2021, an increase of $7.05 million from the previous year. Revenues from all taxes increased by $3.59 million while other general revenues decreased by $.17 million. Program revenues for both Governmental and Business-type activities increased by $3.63 million over the prior year. This is primarily due to the receipt of the ARPA dollars in the amount of $3.05 million.

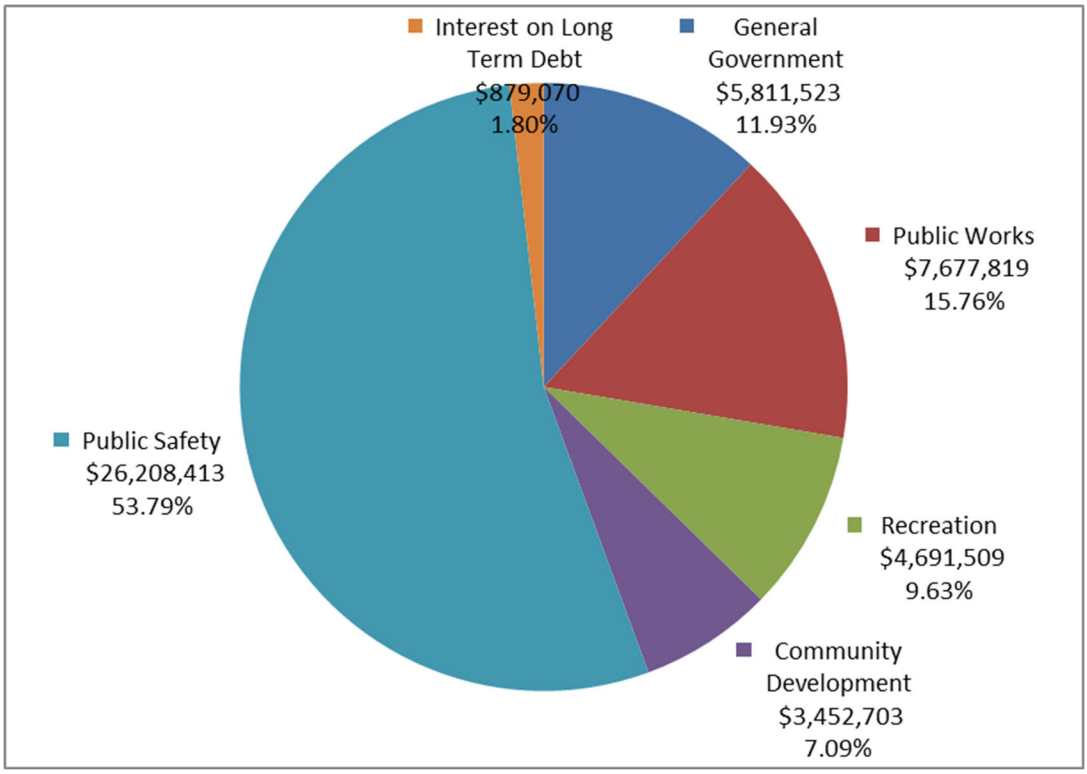
The City's total program expenses were $51.38 million, a decrease of $3.46 million over the prior fiscal year. The City acted in FY 2021 to structurally balance its budget by

enacting expense reductions in all departments. Recreation expenses were lower due to reduced programming hours because of the pandemic.

Governmental Activities Revenues. In FY 2021, the City received nearly 66.03% of its revenues from taxes: 28.37% from property taxes, 18.10% from sales taxes, 6.42% from utility user's taxes, and 13.14% from other taxes. The City also received 16.95% from charges for services, 16.69% of its revenues from operating and capital contributions and grants, and 0.33% from other sources.



Governmental Activities Expenses. In FY 2021, 86.27% of program expenses were attributable to direct services such as Public Works, Recreation, Community Development, and Public Safety. This was about the same percentage as in the prior year. Total expenditures were $48.72 million in FY 2021 which was $3.33 million less than in the prior year.



Business-type Activities. The Net Position in FY 2021 improved by $1.13 million due to revenues outpacing expenses related to the Integrated Waste Management program. (Table A-2). The ending Net Position for Business-type Activities was $2.76 million, which was higher than in the previous year.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the financial requirements and stability of the City. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At year-end the City's governmental funds reported total fund balances of $21.88 million up from $13.79 million in the prior fiscal year (restated), an increase of $8.09 million primarily due to: an increase of $7.25 million in the General Fund; an increase of $.88 million in the Street Improvement Fund; an increase of $.29 million in the Road Repair and Accountability Fund; an increase of $.17 million in the Measure J Fund; an increase of $.14 million in the Measure H Parcel Tax Parks and Recreation Facilities Fund; a decrease of $.74 million from the Municipal Service Corporation Fund; a decrease of

$.19 million from the Measure A Parcel Tax Fund; and a decrease of $.15 million from the Storm Drain Fund.

General Fund. The General Fund is the City's chief operating fund. At the end of the fiscal year, the total General Fund balance was $7.14 million, an increase of $7.25 million from the FY 2020 adjusted balance of negative $0.11 million. Total revenue from property taxes, sales taxes and other revenue sources exceeded the budget by $5.22 million and was $3.21 million over the prior year. Total expenditures were $0.78 million under budget and lower by $2.48 million compared with prior year expenditures. Public Safety expenditures of $23.80 million were $0.42 million over the previous year and $0.71 million under budget. Recreation, Public Works, and Community Development Department expenditures were all under budget collectively by $0.1 million, and General Government expenditures were under budget by $0.13 million. The net effect was a budgetary saving of nearly $0.78 million in General Fund total expenditures.

In November 2018 El Cerrito voters approved a ballot measure that enabled the City to become a Charter City. Along with that, they also approved Measure V that permitted the City to begin collecting a Real Property Transfer Tax on sale of properties within the City limits. The transfer tax came into effect in January of 2019 and for FY 2021, the City received $4.42 million in property transfer taxes, an increase of $1.02 million over FY 2020.

***General Fund Budgetary Highlights*.** Over the course of the year, the City and Corporation may revise the expenditure budgets to reflect the changes in the various programs and unanticipated activities, but usually do not change budget assumptions in revenues other than for one-time events. For example, when the City is awarded a grant, it appropriates the revenues and expenditures necessary to spend those funds but does not necessarily adjust upward the property tax estimates when the amounts come in higher than expected or reduce other balances that report declines unless the changes are material. Tax estimates are based on trend information where the base amount rolls forward for cumulative increases in long term planning and the trends are reevaluated each year during the budget period.

Table A-3. Summary Analysis of General Fund Budget

Category	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budget Basis)	Variance Positive/ (Negative)
Revenues				
Property taxes	$ 10,490,001	$ 10,290,001	$ 10,770,532	$ 480,531
Taxes other than property	17,086,000	16,886,000	21,103,813	4,217,813
Licenses and Permits	758,512	758,512	656,881	(101,631)
Fines and Penalties	170,000	95,000	177,525	82,525
Use of Money and Property	106,468	104,568	159,448	54,880
Intergovernmental Revenues	4,158,654	4,858,654	5,163,658	305,004
Charges for Services	6,301,563	4,822,643	4,990,472	167,829
Other Revenues	237,000	153,100	165,146	12,046
Total Revenues	39,308,198	37,968,478	43,187,475	5,218,997
Expenditures				
General government				
City Council	213,709	213,709	162,153	51,556
City Manager	910,264	910,264	823,014	87,250
City Attorney	318,270	470,434	250,543	219,891
Financial Services	1,313,570	1,313,570	1,295,815	17,755
City Clerk	396,563	354,563	362,059	(7,496)
Information Technology	881,218	881,218	886,828	(5,610)
Employment Services	1,172,677	1,172,677	1,403,510	(230,833)
Public Works	1,629,746	1,629,746	1,448,080	181,666
Recreation	4,599,700	3,802,029	3,827,764	(25,735)
Community Development	2,477,605	2,477,605	2,532,671	(55,066)
Public safety				
Police	12,233,733	12,158,733	11,629,196	529,537
Fire	11,645,813	12,345,813	12,168,376	177,437
Capital Outlay	21,000	21,000	26,547	(5,547)
Debt Service				
Principal	130,618	130,831	163,008	(32,177)
Interest and Fiscal Charges	104,739	104,478	231,066	(126,588)
Total expenditures	38,049,225	37,986,670	37,210,630	776,040
Total excess (deficiency) of revenues over expenditures	1,258,973	(18,192)	5,976,845	5,995,037
Other Financing Sources (Uses)				
Transfers in	53,671	53,671	3,178,240	3,124,569
Transfers out	(665,612)	(665,612)	(580,612)	85,000
Capital lease financing				-
Total other financing sources (uses)	(611,941)	(611,941)	2,597,628	3,209,569
Special items				
Advance to El Cerrito Successor Agency write-off		-	(1,321,189)	(1,321,189)
Total Special Items		-	(1,321,189)	(1,321,189)
Net Change in Fund Balance	647,032	(630,133)	7,253,284	7,883,417
Ending Fund Balance (FY19-20)	(110,021)	(110,021)	(110,021)	
Ending Fund Balance (FY20-21)	$ 537,011	$ (740,154)	$ 7,143,263	$ 7,883,417

Other Major Governmental Funds. In addition to the General Fund, only one other fund is also recognized as major funds this fiscal year per the Major fund determination rule. It is the Low/Mod Income Housing Trust Fund. The City Housing Trust Fund, the Municipal Services Corporation Fund, and the Capital Improvement Fund are classified as non-major governmental funds in FY 2021 where previously presented as major funds, as they did not meet the criteria to be presented as Major funds.

Low/Mod Income Housing Asset Fund. Pursuant to ABx1 26 and AB 1484, the City elected to serve as the Housing Successor to the Redevelopment Agency and established this fund to record housing-related activity. The fund balance at the end of June 30, 2021 was $5.25 million, loans restricted for use on affordable housing related projects and programs.

Proprietary Funds. At year end FY 2021, the unrestricted net position of the Integrated Waste Management Fund was $2.76 million, and $0.38 million for the Vehicle and Equipment Replacement Internal Service Fund. The Integrated Waste Management Fund improved significantly as a result of rate adjustment and subsequent revenue increase. The only expense out of the Vehicle and Equipment Replacement Internal Service Fund is for debt payments on a Fire Department vehicle. The funding for this is a transfer from General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. By the end of FY 2021, the City had invested $72.81 million in a broad range of capital assets, including land, buildings, equipment, infrastructure, and vehicles. The City's capital assets are summarized in Table 4, and a more detailed description is provided in Note 5 to the accompanying financial statements. The increase in construction in progress reflects uncompleted projects that will be reclassified as infrastructure such as streets repaving, bike path, and traffic lights. These also include a project that is funded by a federal grant.

Table A-4. Capital Assets

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	FY 20-21	FY 19-20	FY 20-21	FY 19-20	FY 20-21	FY 19-20	
Land	$ 5,191,639	$ 4,888,926			$ 5,191,639	$ 4,888,926	6.2%
Construction in progress	798,016	977,849			798,016	977,849	-18.4%
Buildings & improvements	27,408,552	27,408,552	$ 3,495,683	$ 3,495,683	30,904,235	30,904,235	0.0%
Equipment & Vehicles	6,694,533	6,613,690	1,597,612	1,597,612	8,292,145	8,211,302	1.0%
Infrastructure	86,769,509	84,950,163			86,769,509	84,950,163	2.1%
Total at historical cost	126,862,249	124,839,180	5,093,295	5,093,295	131,955,544	129,932,475	1.6%
Accumulated depreciation	(57,311,937)	(53,286,900)	(1,834,026)	(1,690,808)	(59,145,963)	(54,977,708)	7.6%
Net capital assets	$ 69,550,312	$ 71,552,280	$ 3,259,269	$ 3,402,487	$ 72,809,581	$ 74,954,767	-2.9%

Long Term Debt. At year-end FY 2021, the City had $17.80 million in bonds, notes, and other long-term debt, a decrease of $1.38 million from FY 2020. The City's long-term debt is summarized in Table 5 and a more detailed description is provided in Note 7 to the accompanying financial statements.

Table A-5. Long-Term Debt

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	FY 20-21	FY 19-20	FY 20-21	FY 19-20	FY 20-21	FY 19-20	
Revenue bonds and notes	$ 15,172,273	$ 16,016,021	$ 1,309,400	$ 1,573,800	$ 16,481,673	$ 17,589,821	-6.3%
Capital Leases	990,291	1,180,596	330,775	405,049	1,321,066	1,585,645	-16.7%
Total at historical cost	$ 16,162,564	$ 17,196,617	$ 1,640,175	$ 1,978,849	$ 17,802,739	$ 19,175,466	-7.2%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The region, the nation, and the world continue to respond to the impacts of the COVID-19 pandemic. This continues to have a dramatic impact on people's lives, commerce, and local governments throughout the region. El Cerrito revised its estimates for FY 2021 because of the uncertainty of the impact of the pandemic. However, revenues improved during the fiscal year and along with budget reductions that were implemented throughout the year, the result was a better-than-expected fund balance. There is still great uncertainty of the impact of COVID-19 into FY 2022. Revenue estimates remain conservative as our City continues to navigate through the pandemic. Yet there are good signs that El Cerrito has positioned itself to come out of the pandemic stronger than it was prior to the pandemic.

El Cerrito's FY 2022 Approved General Fund Budget is structurally balanced, with estimated revenues being projected greater than expenditures by $0.53 million. The projected FY 2022 ending General Fund balance is estimated to be $7.6 million, which equates to a reserve percentage of 19% of estimated expenditures.

The City will also receive its second tranche of ARPA funds in the amount of $3.05 million during FY 2022. These funds can be used for general government expenditures or other programs based on the Department of Treasury Guidance issued during FY 2022. This amount is not included in the FY 2022 Budget.

Employee costs continue to trend upwards as retirement contributions drive pension costs higher. General Fund Employee costs are projected at nearly 75% of Total General Fund Expenditures for FY 2022. This proportion may increase with the increase in pension related costs in FY 2023 and beyond.

The City remains focused on financial stability and opportunities to strengthen our financial position. The City is proud of having sufficient reserves at the start of FY 2022

and commits to maintaining a healthy General Fund balance in compliance with the City's financial policies so that it can continue to provide the quality of services residents have come to expect.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department at (510) 215-4323 or by mail at 10890 San Pablo Avenue, El Cerrito, CA 94530.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of El Cerrito
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 20,474,360	$ 741,313	$ 21,215,673
Accounts receivable	3,151,425	523,573	3,674,998
Interest receivable	994,830	-	994,830
Due from other government	3,333,181	-	3,333,181
Inventory and prepaid expenses	25,694	-	25,694
Internal balances	-	-	-
Total current assets	27,979,490	1,264,886	29,244,376
Noncurrent assets:			
Loans and notes receivable	7,351,152	-	7,351,152
Capital assets:			
Non-depreciable	5,989,656	-	5,989,656
Depreciable, net	63,560,656	3,259,269	66,819,925
Total capital assets	69,550,312	3,259,269	72,809,581
Total noncurrent assets	76,901,464	3,259,269	80,160,733
Total assets	104,880,954	4,524,155	109,405,109
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows-Pension related amounts	14,955,955	-	14,955,955
Deferred outflows-OPEB related amounts	1,356,171	-	1,356,171
Deferred loss on refunding	405,811	44,580	450,391
Total deferred outflows of resources	16,717,937	44,580	16,762,517
LIABILITIES			
Current liabilities:			
Accounts payable	1,248,747	69,883	1,318,630
Accrued liabilities	413,254	29,288	442,542
Accrued interest payable	193,310		193,310
Deposits payable	1,866,355	-	1,866,355
Unearned revenue	83,463	-	83,463
Note payable due within one year	8,659,545	-	8,659,545
Claims payable - due within one year	6,000	-	6,000
Compensated absences - due within one year	1,709,550	55,765	1,765,315
Long-term debt - due within one year	847,435	356,258	1,203,693
Total current liabilities	15,027,659	511,194	15,538,853
Noncurrent liabilities:			
Claims payable- due in more than one year	9,000	-	9,000
Compensated absences - due in more than one year	920,527	30,027	950,554
Long-term debt - due in more than one year, net	15,315,128	1,268,171	16,583,299
Net OPEB Liability	4,887,434	-	4,887,434
Net pension liability	70,374,424	-	70,374,424
Total noncurrent liabilities	91,506,513	1,298,198	92,804,711
Total liabilities	106,534,172	1,809,392	108,343,564
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension related amounts	724,365	-	724,365
Deferred inflows -OPEB related amounts	168,682	-	168,682
Deferred gain on refunding	141,104	-	141,104
Total deferred inflows of resources	1,034,151	-	1,034,151
NET POSITION			
Net investment in capital assets	53,652,456	1,679,420	55,331,876
Restricted for:			
Capital projects	4,997,673	-	4,997,673
Debt service	203,600	-	203,600
Community development projects	10,658,108	-	10,658,108
Total restricted	15,859,381	-	15,859,381
Unrestricted	(55,481,269)	1,079,923	(54,401,346)
Total net position	$ 14,030,568	$ 2,759,343	$ 16,789,911

See accompanying Notes to Basic Financial Statements

City of El Cerrito
Statement of Activities
For the year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Total
Primary Government:					
Governmental activities:					
General government	$ 5,811,523	$ 1,037,096	$ 3,359,126	$ -	$ 4,396,222
Public works	7,677,819	410,676	404,508	3,317,784	4,132,968
Recreation	4,691,509	2,142,292	384,569	-	2,526,861
Community development	3,452,703	1,756,009	5,703	-	1,761,712
Public safety	26,208,413	3,746,725	1,479,003	-	5,225,728
Interest on long-term debt	879,070	-	-	-	-
Total governmental activities	48,721,037	9,092,798	5,632,909	3,317,784	18,043,491
Business-type activities:					
Integrated Waste Management	2,662,806	3,779,477	16,784	-	3,796,261
Total business-type activities	2,662,806	3,779,477	16,784	-	3,796,261
Total primary government	$ 51,383,843	$ 12,872,275	$ 5,649,693	$ 3,317,784	$ 21,839,752
General Revenues, Transfers, and Special Items:					
Taxes:					
Secured and unsecured property taxes					
Sales and use taxes					
Transient lodging taxes					
Franchise taxes					
Business license taxes					
Utility user taxes					
Real Property County Transfer Tax					
Other taxes					
Total taxes					
Use of money and property					
Transfers					
Special item:					
Advance to El Cerrito Successor Agency write-off					
Total general revenues transfers, and special items					
Change in net position					
Net position - beginning of year					
Net position - end of year					

See accompanying Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (1,415,301)	$ -	$ (1,415,301)
(3,544,851)	-	(3,544,851)
(2,164,648)	-	(2,164,648)
(1,690,991)	-	(1,690,991)
(20,982,685)	-	(20,982,685)
(879,070)	-	(879,070)
(30,677,546)	-	(30,677,546)
-	1,133,455	1,133,455
-	1,133,455	1,133,455
(30,677,546)	1,133,455	(29,544,091)
15,213,912	-	15,213,912
9,708,892	-	9,708,892
126,164	-	126,164
1,364,257	-	1,364,257
924,358	-	924,358
3,444,484	-	3,444,484
4,419,107	-	4,419,107
213,044	-	213,044
35,414,218	-	35,414,218
176,593	-	176,593
3,671	(3,671)	-
(1,321,189)	-	(1,321,189)
34,273,293	(3,671)	34,269,622
3,595,747	1,129,784	4,725,531
10,434,821	1,629,559	12,064,380
$ 14,030,568	$ 2,759,343	$ 16,789,911

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds, and the related expenditures. The major revenue sources for this Fund are property taxes, sales taxes, utility users tax, franchise fees, business licenses, unrestricted revenues from the State, fines and forfeitures, and interest income. Expenditures are made for public safety, recreation, and the other services described above.

Low and Moderate Income Housing Asset Special Revenue Fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency and the collection of revenues from those restricted assets. The activities are governed by California redevelopment law and must be used to provide housing for people with low and moderate incomes.

Federal, State, and Local Grants Fund Special Revenue Fund accounts for revenues and expenditures related to grants from other governmental agencies.

City of El Cerrito
Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds				
	General Fund	Low/Mod Income Housing Asset Special Revenue Fund	Federal State and Local Grants Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 13,011,276	$ 898,189	$ -	$ 6,508,260	$ 20,417,725
Accounts receivable	-	-	3,051,028	100,397	3,151,425
Interest receivable	11,858	982,972	-	-	994,830
Due from other governments	2,955,585	-	-	377,596	3,333,181
Due from other funds	2,846,549	-	-	-	2,846,549
Loans receivable	-	4,491,152	-	2,860,000	7,351,152
Inventory	25,694	-	-	-	25,694
Total assets	$ 18,850,962	$ 6,372,313	$ 3,051,028	$ 9,846,253	$ 38,120,556
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	806,511	410	79,864	361,962	1,248,747
Accrued liabilities	398,547	-	-	14,707	413,254
Due to other funds	-	-	2,846,549	-	2,846,549
Deposits payable	1,759,634	-	-	106,721	1,866,355
Unearned revenue	83,463	-	-	-	83,463
Note payable	8,659,545	-	-	-	8,659,545
Total liabilities	11,707,700	410	2,926,413	483,390	15,117,913
Deferred inflows of resources:					
Unavailable revenue - interest receivable	-	1,124,127	-	-	1,124,127
Total deferred inflows of resources	-	1,124,127	-	-	1,124,127
Fund Balances:					
Nonspendable					
Inventory and prepaids	25,694	-	-	-	25,694
Restricted for:					
Redevelopment Projects & Programs	-	-	124,615	147,732	272,347
Housing Activities	-	5,247,776	-	-	5,247,776
Debt service	-	-	-	203,600	203,600
Street improvements	-	-	-	3,501,619	3,501,619
Transportation projects	-	-	-	512,752	512,752
Public Safety - Police	-	-	-	309,263	309,263
Public Safety - Vehicle Abatement	-	-	-	405,041	405,041
Park and Recreation	-	-	-	464,554	464,554
Storm drains	-	-	-	828,464	828,464
Public Art	-	-	-	154,838	154,838
City Housing	-	-	-	2,835,000	2,835,000
Unassigned	7,117,568	-	-	-	7,117,568
Total fund balances	7,143,262	5,247,776	124,615	9,362,863	21,878,516
Total liabilities, deferred inflows of resources, and fund balances	$ 18,850,962	$ 6,372,313	$ 3,051,028	$ 9,846,253	$ 38,120,556

See accompanying Notes to Basic Financial Statements

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City of El Cerrito
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2021

Total Fund Balances - Total Governmental Funds			$ 21,878,516
Amounts reported for governmental activities in the Statement of Net Position were different from those reported in the Governmental Funds above because of the following:			
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:	Government-Wide Statement of Net Position	Internal Service Funds	Total
Non-depreciable	$ 5,989,656	$ -	5,989,656
Depreciable, net	63,560,656	(319,010)	63,241,646
Total capital assets	$ 69,550,312	$ (319,010)	69,231,302
Unavailable revenue recorded in the fund financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in the Government-Wide Financial Statements.			1,124,127
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.			(193,310)
Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.			375,645
In the Government-Wide Financial Statement certain differences between actuarial estimates and actual results for pension and OPEB are deferred and amortized over a period of time, however, in the governmental funds no transactions are recorded.			
Deferred outflows of resources - pension			14,955,955
Deferred inflows of resources - pension			(724,365)
Deferred outflows of resources - OPEB			1,356,171
Deferred inflows of resources - OPEB			(168,682)
Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt.			264,707
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.			
	Government-Wide Statement of Net Position	Internal Service Funds	Total
Claims payable - due within one year	$ (6,000)	$ -	$ (6,000)
Compensated absences - due within one year	(1,709,550)	-	(1,709,550)
Long-term debt - due within one year	(847,435)	-	(847,435)
Claims payable- due in more than one year	(9,000)	-	(9,000)
Compensated absences - due in more than one year	(920,527)	-	(920,527)
Long-term debt - due in more than one year, net	(15,315,128)	-	(15,315,128)
Net OPEB Liability	(4,887,434)	-	(4,887,434)
Net pension liability	(70,374,424)	-	(70,374,424)
Total long-term liabilities	$ (94,069,498)	$ -	(94,069,498)
Net Position of Governmental Activities			$ 14,030,568

City of El Cerrito
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2021

	Major Funds				
	General Fund	Low/Mod Income Housing Asset Fund	Federal State and Local Grants Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes and assessments	$ 31,874,345	$ -	$ -	$ 4,670,580	$ 36,544,925
Licenses and permits	656,881	-	-	-	656,881
Fines and penalties	177,525	-	-	-	177,525
Use of money and property	159,448	47,132	-	51	206,631
Intergovernmental revenues	5,163,658	-	3,213,458	2,348,733	10,725,849
Charges for services	4,990,472	-	-	6,485	4,996,957
Other revenues	165,146	217	-	77,670	243,033
Total revenues	43,187,475	47,349	3,213,458	7,103,519	53,551,801
EXPENDITURES:					
Current:					
General Government	5,183,923	-	-	1,225	5,185,148
Public works	1,448,080	-	703	2,885,366	4,334,149
Recreation	3,827,764	-	-	168,211	3,995,975
Community development	2,532,671	15,353	81,868	11,541	2,641,433
Public safety	23,797,572	-	7,862	-	23,805,434
Capital outlay	26,547	-	-	1,626,053	1,652,600
Debt service:					
Principal	163,008	-	-	847,498	1,010,506
Interest and fiscal fees	231,066	-	-	657,503	888,569
Total expenditures	37,210,631	15,353	90,433	6,197,397	43,513,814
REVENUES OVER (UNDER) EXPENDITURES	5,976,844	31,996	3,123,025	906,122	10,037,987
OTHER FINANCING SOURCES (USES):					
Payment to Contra Costa County - share of land sale	-	-	-	(257,256)	(257,256)
Loss on sale of land held for resale	-	-	-	(371,500)	(371,500)
Transfers in	3,178,240	-	-	1,493,926	4,672,166
Transfers (out)	(580,612)	-	(3,051,028)	(1,036,855)	(4,668,495)
Total other financing sources (uses)	2,597,628	-	(3,051,028)	(171,685)	(625,085)
SPECIAL ITEMS					
Advance to El Cerrito Successor Agency write-off	(1,321,189)	-	-	-	(1,321,189)
Total special items	(1,321,189)	-	-	-	(1,321,189)
Net change in fund balances	7,253,283	31,996	71,997	734,437	8,091,713
FUND BALANCES (DEFICITS):					
Beginning of year, as restated	(110,021)	5,215,780	52,618	8,628,426	13,786,803
End of year	$ 7,143,262	$ 5,247,776	$ 124,615	$ 9,362,863	$ 21,878,516

See accompanying Notes to Basic Financial Statements

City of El Cerrito

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities

For the year ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	$ 8,091,713
Amounts reported for governmental activities in the Statement of Activities were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	1,720,357
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds.	(3,890,937)
Accrued compensated leave payable was an expenditure in governmental funds, but the accrued payable increased compensated leave liabilities in the Government-Wide Statement of Net Position.	(247,927)
Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt. This amount is the current year net amortization expense.	(17,672)
Bond proceeds provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments	1,010,506
Revenues that are not considered to be available are reported as unavailable revenues in the governmental funds, however, these amounts are recognized in the Government-Wide Statement of Activities. This amount represents the change in unavailable revenues.	82,501
Current year employer OPEB contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	146,184
OPEB expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(489,961)
Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	7,713,430
Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however, pension expense is not recognized in the governmental funds.	(10,429,258)
Long-term debt premium and discount was recorded as an other financing source or (use) in the governmental funds, but the payment was treated as an increase (decrease) in long-term liabilities and will be amortized over the life of the bonds in the Government-Wide Statement of Net Position. - This amount is the current year amortization expense	23,548
Interest expense on long-term debt is reported on the accrual basis on the Government-Wide Statements, but expenditures on long-term debt in the governmental funds statements are recorded when paid. The following amount represents the change in accrued interest from the prior year.	3,623
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	(134,101)
Claim payments are recorded as expenditures in governmental funds, however these payments are recorded as reduction in claims payable in the Government-Wide Statements. In addition claim expense and claim adjustments are reported as expense in the Government-Wide Statements.	13,741
Change in Net Position of Governmental Activities	$ 3,595,747

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PROPRIETARY FUND FINANCIAL STATEMENTS

Integrated Waste Management Fund accounts for the City's recycling collection service operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

Internal Service Fund accounts for the City's departments' vehicles and equipment.

City of El Cerrito
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activity	Governmental Activity
	Integrated Waste Management Enterprise Fund	Vehicle and Equipment Replacement Internal Service Fund
ASSETS		
Current assets:		
Cash and investments	$ 741,313	$ 56,635
Accounts receivable, net	523,573	-
Total current assets	1,264,886	56,635
Capital Assets:		
Buildings, equipment and vehicles	5,093,296	2,737,963
Less accumulated depreciation	(1,834,027)	(2,418,953)
Net capital assets	3,259,269	319,010
Total assets	4,524,155	375,645
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	44,580	-
Total deferred outflows of resources	44,580	-
LIABILITIES		
Current liabilities:		
Accounts payable	69,883	-
Accrued liability	29,288	-
Compensated absences - due within one year	55,765	-
Leases payable - due within one year	356,258	-
Total current liabilities	511,194	-
Long-term liabilities:		
Compensated absences - due in more than one year	30,027	-
Leases payable - due in more than one year	1,268,171	-
Total long-term liabilities	1,298,198	-
Total liabilities	1,809,392	-
NET POSITION (DEFICIT)		
Net investment in capital assets	1,679,420	319,010
Unrestricted	1,079,923	56,635
Total net position (deficit)	$ 2,759,343	$ 375,645

City of El Cerrito

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the year ended June 30, 2021

	Business-Type Activity	Governmental Activity
	Integrated Waste Management Enterprise Fund	Vehicle and Equipment Replacement Internal Service Fund
OPERATING REVENUES:		
Charges for current services	$ 3,672,368	$ -
Recycling sales	107,028	-
Other	81	-
Total operating revenues	3,779,477	-
OPERATING EXPENSES:		
Personnel costs	1,484,507	-
Services	870,252	-
Supplies	111,596	-
Depreciation	143,218	134,101
Total operating expenses	2,609,573	134,101
OPERATING INCOME (LOSS)	1,169,904	(134,101)
NONOPERATING REVENUES (EXPENSES):		
Grants	16,784	-
Interest expense	(53,233)	-
Total nonoperating revenues (expenses)	(36,449)	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS:	1,133,455	(134,101)
Transfers (out)	(3,671)	-
Total transfers	(3,671)	-
Change in net position	1,129,784	(134,101)
NET POSITION (DEFICIT):		
Beginning of year	1,629,559	509,746
End of year	$ 2,759,343	$ 375,645

See accompanying Notes to Basic Financial Statements

City of El Cerrito
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2021

	Business-Type Activities	Governmental Activities
	Integrated Waste Management Enterprise Fund	Vehicle and Equipment Replacement Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 3,912,233	$ -
Payments to suppliers	(953,538)	-
Payments to employees	(1,516,631)	-
Net cash provided by (used in) operating activities	1,442,064	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants	16,784	-
Payments to other funds	(315,306)	-
Transfers (out)	(3,671)	-
Net cash provided by (used in) noncapital financing activities	(302,193)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal paid	(354,420)	-
Interest paid	(44,318)	-
Net cash used in capital and related financing activities	(398,738)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	741,133	-
CASH AND CASH EQUIVALENTS - Beginning of year	180	56,635
CASH AND CASH EQUIVALENTS - End of year	$ 741,313	$ 56,635
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	$ 1,169,904	$ (134,101)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	143,218	134,101
Changes in assets, deferred outflows and inflows of resources, and liabilities		
Accounts receivable, net	132,756	-
Accounts payable	28,310	-
Accrued liability	(52,977)	-
Compensated absences	20,853	-
Total adjustments	272,160	134,101
Net cash provided by (used in) operating activities	$ 1,442,064	$ -

FIDUCIARY FUND FINANCIAL STATEMENTS

Pension Trust Fund

City of El Cerrito Pension Trust Fund accounts for assets held by the City on behalf of the retiree's of the City's single employer pension plan.

Private Purpose Trust Fund

Successor Agency Trust Fund accounts for assets and liabilities transferred from the City to the Successor Agency Trust Fund.

City of El Cerrito
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2021

	Pension Trust Fund	El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust
ASSETS		
Cash and investments	$ -	$ 306,402
Total assets	-	306,402
LIABILITIES		
Accrued liabilities	-	74,110
Long-term obligations:		
Due within one year	-	1,909,310
Due in more than one year	-	7,070,417
Total liabilities	-	9,053,837
NET POSITION (DEFICIT):		
Held in trust for other governments	$ -	$ (8,747,435)

City of El Cerrito
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the year ended June 30, 2021

	Pension Trust Fund	El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust
ADDITIONS:		
Property taxes	$ -	$ 2,382,794
Employer contributions	89,205	-
Total additions	89,205	3,703,983
DEDUCTIONS:		
Retirement and other benefits	89,205	-
General government	-	10,145
Community development	-	252,350
Debt service:		
Interest and fiscal charges	-	249,878
Total Deductions	89,205	512,373
Change in net position	-	3,191,610
NET POSITION (DEFICIT) HELD IN TRUST FOR PENSION BENEFITS AND OTHER GOVERNMENTS:		
Beginning of year	-	(11,939,045)
End of year	$ -	$ (8,747,435)

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NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of El Cerrito (City) was incorporated August 1, 1917. The City provides the following services: public safety (police and fire), recreation, streets and highways, recycling, public improvements, planning and zoning, and general administration services. The City's population has remained relatively stable for some years; population at June 30, 2021, was 24,953.

The City operates under the Council-Manager form of government, with five elected Council members served by a full-time City Manager and staff. At June 30, 2021, the City's staff comprised 143 full time and 112 part-time employees. In addition, the City employs recreation and other personnel as needed on a seasonal basis.

A. Reporting Entity

The accompanying basic financial statements present the financial activity of the City along with the financial activities of its blended component units, which are entities for which the City is financially accountable. Together these entities comprise the primary government for reporting purposes. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's component units, which are described below, are all blended.

The El Cerrito Public Financing Authority (Authority)

The El Cerrito Public Financing Authority is a nonprofit corporation organized by the City to provide financial assistance to the City. Administrative and related normal business expenses incurred in the day-to-day operations of the Authority are provided by the City. Such expenses are insignificant to the Authority's operations. The Authority obtains financing for City sponsored projects using leases signed by the City as collateral. The amounts of the leases are calculated to provide sufficient resources to repay the debt incurred to finance the projects. The financial activities of the Authority have been included in these financial statements in the Public Financing Authority Debt Service Fund and the Integrated Waste Management Enterprise Fund.

The El Cerrito Municipal Services Corporation

The El Cerrito Municipal Services Corporation (Corporation) is a nonprofit corporation organized in 1982 by the City under the corporations laws of the State of California. The Corporation was originally organized to assist the City with communications with its residents and to provide financial assistance to the City by financing real and personal property and improvements for the benefit of the residents of the City. In May 2011, the Corporation amended its articles of incorporation to provide support to the City by utilizing private and public funding sources to combat community blight and deterioration in the City and contribute to the physical improvement of the City; providing and expanding economic opportunities for low and moderate income households in the City; encouraging and stimulating economic development within the City. The financial activities of the Corporation have been included in these financial statements in the Municipal Services Corporation Special

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Reporting Entity, Continued

The City of El Cerrito Employees' Pension Plan

The City of El Cerrito Employees' Pension Plan is governed by the City's Retirement System Ordinance, Chapter 3 of the City of El Cerrito Municipal Code, and is used to account for contributions and investment income restricted to pay retirement and death benefits of employees who elected not to be covered by the California Public Employees' Retirement System as of February 6, 1959. Benefit and contribution provisions are established by the City Council. Eligibility, actuarial interest rates, administration and certain other tasks are the responsibility of the Council established by the above ordinance. The financial activities of the Pension Plan have been included in these financial statements in the Pension Trust Fund.

Audited financial statements for the Authority, Corporation and Pension Plan may be obtained from the City of El Cerrito, 10890 San Pablo Avenue, El Cerrito, CA 94530.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

Government-wide Statements:

The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Presentation, Continued

Fund Financial Statements:

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category-governmental, proprietary, and fiduciary-are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds which have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may select other governmental funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Low and Moderate Income Housing Asset Special Revenue Fund - This fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency and the collection of revenues from those restricted assets. The activities are governed by California redevelopment law and must be used to provide housing for people with low and moderate incomes. The major revenue sources are the loan repayments in the fiscal year. Prior to dissolution of the Redevelopment Agency in 2012 it received property tax revenues but has not received any since.

Federal, State and Local Grants Special Revenue Fund - accounts for revenues and expenditures related to grants from other governmental agencies.

The City reported the following major proprietary fund:

Integrated Waste Management Enterprise Fund - This fund is used to account for the City's recycling collection services operations financed and operated in a manner similar to a private business enterprise.

The City also reports the following fund types:

Internal Service Fund - The Vehicles and Equipment Replacement Internal Service Fund is used to finance and account for providing vehicles and equipment to the line departments and avoiding financing costs associated with the acquisition of necessary capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Major Funds, Continued

Fiduciary Funds - These funds account for assets held by the City as an agent for various community groups and functions. The City of El Cerrito Pension Trust Fund and the El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust Fund account for the accumulation of resources to be used for payments at appropriate amounts and times in the future. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected generally within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on governmental long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long- term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include other taxes, intergovernmental revenues, interest and charges for services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met and become available. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

E. Cash, Cash Equivalents, and Investments

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Cash, Cash Equivalents, and Investments, Continued

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments that are measured using Level 3 inputs.

The City participates in an investment pool managed by the State of California entitled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to the change in interest rates.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as "Cash and Investments" in the accompanying Basic Financial Statements.

For the purpose of the statement of cash flows, the City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

F. Property Tax

Property tax revenue is recognized in the fiscal year for which the tax and assessment is levied. The County of Contra Costa levies, bills and collects property taxes and special assessments for the City; under the County's "Teeter Plan" the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Property Tax, Continued

Secured property tax is due in two installments, on November 1 and February 1, becomes a lien on those dates and becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed.

G. Inventory and Prepaid Items

Inventory held in the General Fund is valued at cost using the first-in-first-out (FIFO) inventory method. Inventory of the General Fund consist of expendable supplies held for consumption. The cost is recorded as an expenditure in the General Fund at the time individual items are consumed. Reported General Fund inventory is equally offset by nonspendable fund balance which indicates that the inventory does not constitute available spendable resources even though the inventory is a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In governmental funds, prepaid items are accounted for using the consumption method and a portion of fund balance equal to the prepaid items has been offset by nonspendable fund balance to indicate that is not available for appropriation.

H. Land Held for Redevelopment

Land parcels held for redevelopment are accounted for at the lower of cost or net realizable value or agreed upon sales price if a disposition agreement has been made with a developer. The Municipal Services Corporation holds seven parcels of land for redevelopment with a book value of $4,244,663 as of June 30, 2018. During fiscal year 2019, the City sold three parcels of land for redevelopment. From the remaining four parcels of land for redevelopment, two parcels were sold and two were transferred to city wide capital assets during fiscal year ended June 30, 2021. As discussed in Note 14, the parcels were acquired from the Agency after it made required findings in accordance with Health and Safety Code Section 33433, requiring development of the parcels consistent with the Redevelopment Plan.

I. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed and donated capital assets are valued at their acquisition value on the date contributed. The City's policy is to capitalize all assets with costs exceeding $10,000 and with useful lives exceeding two years.

All capital assets with limited useful lives .are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Capital Assets, Continued

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

Classification	Years
Buildings	20-50
Improvements	33-60
Equipment	2-15
Streets	20
Parks	20
Curb and gutters	20
Storm drains	65

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

K. Compensated Absences

Compensated absences comprise unused vacation and 25% of unused sick leave, which are accrued as earned. The liability for compensated absences is determined annually. The City's liability for compensated absences is recorded in various Governmental funds or Proprietary funds as appropriate. Compensated absences are reported in governmental funds only if they have matured, such as for the unused reimbursable leave still outstanding following an employee's retirement. The long-term portion for Governmental Activities is recorded in the Statement of Net Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. Deferred Compensation

City employees may defer a portion of their compensation under City sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under these Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defmed by the Plans.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

M. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources and liabilities and disclosure of contingent assets, deferred outflows/inflows of resources and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. Net Position

Net Position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position is divided into three categories. These categories apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and community development projects.

Unrestricted describes the portion of Net Position which is not restricted as to use.

When both restricted and unrestricted net position is available, restricted resources are depleted first before the unrestricted resources are used.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. Fund Balances

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action (specific ordinance) of the City Council which may be altered only by Resolution of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee, the Finance Director, and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2020
Measurement Period:	July 1, 2019 to June 30, 2020

Q. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2020
Measurement Period:	July 1, 2019 to June 30, 2020

R. New GASB Pronouncements

In 2021, the City adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended June 30, 2021:

- **GASB Statement No. 84 –** *Fiduciary Activities* **–** The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Agency restated its beginning net position of the custodial funds as part of implementation of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. New GASB Pronouncements, Continued

- **GASB Statement No. 90 –** *Majority Equity Interests* **–** The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legal separate organization should be reported as an investment if a government's holding of the equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this statement did not apply to the City for the current fiscal year.

- **GASB Statement No. 93 –** *Interbank Offered Rates (except LIBOR removal* and lease modifications) **–** Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) –most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with GASB Statement No. 87, Leases, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The objective of GASB Statement No. 93 is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this statement did not apply to the City for the current fiscal year.

- **GASB Statement No. 97** - *Certain Component Unit Criteria, And Accounting And Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans*—an Amendment Of GASB Statements No. 14 And No. 84, And A Supersession Of GASB Statement No. 32 - The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The City has classified its section 457 as other employee benefit plan as part of implementation this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. New GASB Pronouncements, Continued

- **GASB Statement No. 98 –** *The Annual Comprehensive Financial Report* – This statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in the generally accepted accounting principles for state and local governments. The City has elected to early implement the provisions of this Statement during the current fiscal year and duly changed its report titles.

2. CASH AND INVESTMENTS

The City pools cash from all sources and all funds except Cash with Fiscal Agents so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. Cash and investments are reported in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	$ 20,474,360	$ 741,313	$ 306,402	$ 21,522,075
Total cash and investments	$ 20,474,360	$ 741,313	$ 306,402	$ 21,522,075

A. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Successor Agency agreements.

Cash and investments as of June 30, 2021 consist of the following:

Cash on hand	$ 2,570
Deposits with financial institution	10,698,687
Total cash on hand and deposits	10,701,257
Local Agency Investment funds	10,820,818
Total investments	10,820,818
Total cash and investments	$ 21,522,075

2. CASH AND INVESTMENTS, CONTINUED

B. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution and places the City ahead of general creditors of the institution.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

C. Deposits

The carrying amount of the City's cash deposit was a positive amount of $10,698,687 at June 30, 2021. Bank balances before reconciling items were $11,173,255 at June 30, 2021. The City has waived the collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions.

The California Government Code (Code) requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

D. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

3. CASH AND INVESTMENTS, CONTINUED

The City's Investment Policy and the California Government Code allow the City to invest in the following:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in Portfolio	Maximum Investment in One Issuer
State of California Local Agency Investment Fund (LAIF Pool)	On Demand	N/A	$65,000,000 per account	$65,000,000 per account
U.S. Treasury Bonds, Notes, Bills	5 years	N/A	No limit	No limit
U.S. Federal Agency and U.S. Government Sponsored Enterprise Securities	5 years	N/A	No limit	No limit
Banker's Acceptances	180 days	N/A	30%	30%
Commercial Paper	270 days	P-1, A-1, F-1	10%*	10%
Certificates of Deposit	5 years	N/A	30%	10%
Negotiable Certificates of Deposit	5 years	A	30%	No limit
Medium Term Corporate Notes	5 years	A	10%*	No limit
Derivative Securities (limited to Federal Agency callable issues)	5 years	N/A	10%	No limit
Money Market Mutual Funds	On Demand	Highest Rating Category	5%	No limit

* Total combined corporate debt (Commercial Paper and Medium-Term Notes) may not exceed 20% of the cost value of the portfolio.

The City's investment policy prohibits investments in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages in accordance with California Government Code Section 53601.6. With the exception of callable Federal Agency securities, any security that derives its value from another asset or index is prohibited. In addition, the City may not invest any funds in any security that could result in zero interest accrual if held to maturity.

The City's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. Generally the City's practice is to buy and hold investments until maturity dates. Consequently, the City's investments are carried at fair value.

2. CASH AND INVESTMENTS, Continued

D. Investments Authorized by the California Government Code and the City's Investment Policy, Continued

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2021, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes – are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities – the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2021, the City had $10,820,818 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.37% in the previous year. The LAIF fair value factor of 1.00008297 was used to calculate the fair value of the investments in LAIF.

E. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy.

F. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

		Investment Maturities (in years)				
Investment Type	**Total**	**1 year or Less**	**1 - 2 years**	**2- 3 years**	**3 - 4 years**	**4 years or More**
Local Agency Investment Fund	$ 10,820,818	$ 10,820,818	$ -	$ -	$ -	$ -
Total	$ 10,820,818	$ 10,820,818	$ -	$ -	$ -	$ -

2. CASH AND INVESTMENTS, Continued

G. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2021 for each of the City's investments as provided by Standard and Poor's investment rating service:

				Rating as of Fiscal Year End
Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Not Rated
Local Agency Investment Fund	$ 10,820,818	N/A	$ -	$ 10,820,818
Total	$ 10,820,818		$ -	$ 10,820,818

H. GASB 72 Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles (GAAP). The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City's investment in the Local Agency Investment Fund (LAIF) is exempt from levelling disclosure.

3. INTERFUND TRANSACTIONS

A. Transfers between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund which has made expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

Transfers between funds during the fiscal year ended June 30, 2021 were as follows:

	Transfers In		
Transfers Out	General Fund	Non-Major Governmental Funds	Total
Major Governmental Funds:			
General Fund	$ -	$ 580,612	$ 580,612
Federal, State & Local Grants Fund	3,051,028		3,051,028
Non-Major Governmental Funds	123,541	913,314	1,036,855
Major Enterprise Funds:			
Integrated Waste Management	3,671	-	3,671
Total	$ 3,178,240	$ 1,493,926	$ 4,672,166

3. INTERFUND TRANSACTIONS, Continued

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2021, the amounts of current interfund balances were as follows:

Due To General Fund	Due From Other Funds
Federal, State & Local Grants Fund	$ 2,846,549
Total	$ 2,846,549

C. Internal Balances

Internal balances are presented in the City-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

5. LOANS RECEIVABLE

Loans receivable, including accrued interest comprised balances from the following programs, all of which are discussed on the following pages.

Description	Loan Receivable	Interest Receivable	Total Balance June 30, 2021
Major Governemental Funds			
Ohlone Gardens LP-Low and Moderate Income Housing	$ 3,500,000	$ 923,173	$ 4,423,173
Idaho Apartments-Low and Moderate Income Housing	491,154	-	491,154
Eden Housing-Low and Moderate Income Housing	299,998	54,299	354,297
Mayfair Affordable Bridge House Loans	200,000	5,500	205,500
Total major governmental funds	4,491,152	982,972	5,474,124
Non-Major Governmental Funds:			
Ohlone Gardens LP-City Housing Fund	2,860,000	-	2,860,000
Total nonmajor governmental funds	2,860,000	-	2,860,000
Total governmental funds	7,351,152	982,972	8,334,124
Total Primary Government	$ 7,351,152	$ 982,972	$ 8,334,124

4. LOANS RECEIVABLE, Continued

A. Ohlone Gardens, L.P.

In fiscal year 2009, the former Redevelopment Agency entered into a predevelopment, acquisition and construction loan agreement with Ohlone Gardens, L.P. for $3,500,000 to assist with the acquisition and construction of a 57 unit affordable housing development including at least ten special needs units with appropriate supportive services and related office space. The Loan bears simple interest at the rate of 3% per year, beginning with the date of first disbursement and is repayable 55 years from the date of occupancy from residual receipts, as defined in the agreement. The Loan is secured by a deed of trust in the first position on the property. The deed of trust may subsequently be subordinated to other financing as defined in the agreement.

Predevelopment activities and acquisition of the site began in fiscal year 2009. With the dissolution of the Redevelopment Agency as discussed in Note 16, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. The developer made the final loan drawdown of $471,152 during fiscal year 2013-14. The balance of the Loan at June 30, 2021 is $4,423,173 including accrued interest of $923,173.

In fiscal year 2014, the City entered into an Infill Infrastructure loan agreement with Ohlone Gardens, L.P. for $2,860,000 for the purpose of funding infrastructure work for a 57-unit affordable housing development. The Loan is contingent on the City receiving funding and approval from the California Department of Housing and Community Development Infill Infrastructure Grant Program. The Loan bears no interest and is due in one lump sum the earlier of the fifty-fifth anniversary of the final certificate of occupancy for the project or the fifty-seventh anniversary of the date of the Loan. The Loan is secured by a deed of trust on the property that is subordinated to the 2009 loan above and to the primary construction financing. As of June 30, 2021, the City has drawn down $2,860,000.

B. Idaho Apartments

The former Redevelopment Agency entered into an Owner Participation Agreement for Idaho Apartments in 1997 in which the Agency agreed to make a loan to the project which included rehabilitation of the deteriorated building. At that time, the developer requested assistance to help repay a loan from a non-profit agency. In August 2000, the non-profit agency loan was replaced by another loan obtained by the developer and the Agreement was amended to reflect that fact as well as reaffirm the Agency's commitment to make a loan of up to $350,000 to repay the developer's other loan when that loan matured in 2008. The Loan bears simple interest at the rate of 3% per year, beginning with the date of first disbursement. No payments were due for the first ten and one- half years after the date of occupancy, which ended on December 9, 2009. Subsequent to that date, the loan is repayable from residual receipts, as defined in the Agreement. The Loan is secured by a subordinated deed of trust in the third position on the property. The Agency disbursed $350,000 to the developer during the year ended June 30, 2009. With the dissolution of the Redevelopment Agency as discussed in Note 15, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. The Loan was recast in December 2017 and all previous interest accrued was added to the loan balance. The new interest rate is 2.64%. The balance of the loan at June 30, 2021 is $491,154.

4. LOANS RECEIVABLE, Continued

C. Eden Housing, Inc.

In May 2011, the former Redevelopment Agency entered into a predevelopment loan agreement with Eden Housing, Inc., for $350,000 to assist with predevelopment costs related to the development of a mixed use affordable housing development at Agency owned property. With the dissolution of the Redevelopment Agency as discussed in Note 15, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. The loan bears simple interest at the rate of 3% per year, beginning with the date of first disbursement and is due and payable upon the second anniversary of the execution date, unless the City and the developer enter into a disposition and development agreement (DDLA). The Loan is secured only by a promissory note, as it is City- owned property. Should the developer take title to the subject property, the loan will then be secured by a deed of trust on the property.

In April 2014, the City entered into a DDLA with Eden Housing, Inc., that involves the sale of the property as discussed in Note 1H, as well as a new loan agreement that replaced the original agreement. In 2017, the City transferred the two parcels to Eden Housing Inc, a nonprofit, and loaned the developer $300,000 to be paid off in 55 years at a rate of 3% from the date of issuance of the certificate of occupancy from residual receipts, as defined in the agreement

Predevelopment activities began in fiscal year 2011, and the developer has drawn down $299,999 of the loan and $50,001 remains available for drawdown at June 30, 2021. The balance of the loan at June 30, 2021 is $354,297, including accrued interest of $54,299.

D. Mayfair Affordable Bridge House Loans

On January 1, 2020, The City of El Cerrito entered into a predevelopment, acquisition and construction loan agreement with Mayfair Affordable LLC, for $350,000 to assist with the construction of 67 affordable residential housing units on certain real property located at 11690 El Cerrito Project Area. The Loan bears simple interest at the rate of 3% per year beginning with the date of first disbursement and is repayable 55 years from the date of issuance of the certificate of occupancy from residual receipts, as defined in the agreement. The balance of the loan at June 30, 2021 is $205,500, including accrued interest of $5,500.

6. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2021 was as follows:

	Balance June 30, 2020 (restated)	Additions	Deletions	Transfers	Balance June 30, 2021
Government activities					
Capital assets not being depreciated:					
Land	$ 5,191,639	$ -	$ -	$ -	$ 5,191,639
Construction in progress	977,849	1,639,514	-	(1,819,346)	798,017
Total capital assets not being depreciated	5,866,775	1,639,514	-	(1,819,346)	5,989,656
Capital assets being depreciated:					
Buildings and improvements	27,408,552	-	-	-	27,408,552
Equipment and vehicles	6,613,690	80,843	-	-	6,694,533
Infrastructure	84,950,163	-	-	1,819,346	86,769,509
Total capital assets being depreciated	118,972,405	80,843	-	1,819,346	120,872,594
Less accumulated depreciation for:					
Buildings and improvements	(9,090,385)	(715,871)	-	-	(9,806,256)
Equipment and vehicles	(5,436,232)	(388,763)	-	-	(5,824,995)
Infrastructure	(38,760,283)	(2,920,404)	-	-	(41,680,687)
Total accumulated depreciation	(53,286,900)	(4,025,038)	-	-	(57,311,938)
Net capital assets being depreciated	65,685,505	(3,944,195)	-	1,819,346	63,560,656
Governmental activity capital assets, net	$ 71,552,280	$ (2,304,681)	$ -	$ -	$ 69,550,312

	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Business-Type Activities					
Capital assets being depreciated					
Buildings	$ 3,495,683	$ -	$ -	$ -	$ 3,495,683
Equipment and Vehicles	1,597,612	-	-	-	1,597,612
Total capital assets being depreciated	5,093,295	-	-	-	5,093,295
Less accumulated depreciation for:					
Buildings	(507,037)	(69,503)	-	-	(576,540)
Equipment and Vehicles	(1,183,771)	(73,715)	-	-	(1,257,486)
Total accumulated depreciation	(1,690,808)	(143,218)	-	-	(1,834,026)
Net capital assets being depreciated	3,402,487	(143,218)	-	-	3,259,269
Business-type activity capital assets, net	$ 3,402,487	$ (143,218)	$ -	$ -	$ 3,259,269

5. CAPITAL ASSETS, Continued

A. Capital Asset Contributions

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

B. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or programs are as follows:

Governmental Activities:		
General government	$	329,937
Public works		3,112,651
Recreation		232,845
Community development		7,974
Public safety		207,530
Internal service funds		134,101
Total	$	4,025,038
Business-type Activities:		
Integrated Waste Management	$	143,218

7. NOTE PAYABLE – TAX ANTICIPATION NOTES

On July 01, 2021, the City issued Series 2020-21 Tax and Revenue Anticipation Notes in the amount of $8,659,545. The proceeds from the Notes were used to provide funds to meet the City's cash flow needs for its fiscal year ended June 30, 2021. Principal and accrued interest on the Notes are payable when the Notes mature on July 01, 2021. The Notes bear an interest rate of 3.00%. The liability is due within one year and is recorded in the General Fund.

7. LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. Bond issuance costs are expensed in the year incurred.

The City's debt issues and transactions are summarized below:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year	Due in More Than One Year
Governmental Activities:						
Lease Revenue Bonds:						
2012 Lease Revenue Bonds	$ 185,200	$ -	$ (185,200)	$ -		$ -
2017 Lease Revenue Bonds	6,475,000	-	(295,000)	6,180,000	300,000	5,880,000
2017 Sales Tax Revenue Refunding	7,680,000	-	(340,000)	7,340,000	350,000	6,990,000
Solar Photovoltaic Capital Lease	878,797	-	(107,036)	771,761	110,000	661,761
2019 Vehicles leases	69,915	-	(22,140)	47,775	23,285	24,490
2019 Equipment leases - Wells Fargo	36,432	-	(11,579)	24,853	12,135	12,718
2019 Vehicles leases - Dell Financial	146,056	-	(33,833)	112,223	35,561	76,662
2019 Equipment leases - Wells Fargo	49,396	-	(15,718)	33,678	16,454	17,224
Original issue premium	1,675,821	-	(23,548)	1,652,273	-	1,652,273
Total Governmental Activity Debt	$ 17,196,617	$ -	$(1,034,054)	$ 16,162,563	$ 847,435	$ 15,315,128

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year	Due in More Than One Year
Business-Type Activities						
2012 Recycling Facility Revenue Refunding Bonds	$ 1,573,800	$ -	$ (270,800)	$ 1,303,000	$ 277,400	$ 1,025,600
2018 Trash Truck Lease	405,049	-	(83,620)	321,429	78,858	242,571
Total Business-Type Activity Debt	$ 1,978,849	$ -	$ (354,420)	$ 1,624,429	$ 356,258	$ 1,268,171

A. 2012 Lease Revenue Refunding Bonds

On September 26, 2012, the El Cerrito Public Financing Authority issued Lease Revenue Refunding Bonds, Series 2012, in the original principal amount of $2,516,500 at 1.960% interest to provide for the refunding of the City's outstanding 2002 Swim Center Lease Revenue Bonds. Principal payments are due annually on September 1, with interest payments payable semi-annually on March 1 and September 1 through September 1, 2020. Parcel tax revenues are pledged for the repayment of these Bonds, until the Bonds mature. If parcel tax revenues are insufficient to pay the annual principal and interest payments on the bonds the City has covenanted to use General Fund revenues. As of June 30, 2021 the remaining outstanding balance of the bond has been fully paid off.

8. LONG-TERM DEBT, Continued

B. 2017 Lease Revenue Refunding Bonds

On May 26, 2017, the City of El Cerrito issued Lease Revenue Refunding Bonds, Series 2017, in the original principal amount of $7,040,000 at 2%-5% interest to provide for the refunding of the City's outstanding 2006 City Hall Lease Revenue Bonds. Principal payments are due annually on September 1, with interest payments payable semi-annually on January 15 and July 15 through January 15, 2036. The economic gain on refunding was $435,000, and the refunding resulting in the recognition of an accounting deferred gain on refunding of $178,732.

As of June 30, 2021, the outstanding principal balance was $6,723,535, including unamortized bond premium of $543,535.

C. 2017 Sales Tax Revenue Bonds

On January 25, 2017, the City of El Cerrito issued $8,650,000 original principal amount of 2017 Sales Tax Revenue Bonds at 2%-5% interest to provide for the refunding of the City's outstanding 2008 Sales Tax Revenue Bonds. Principal payments are due annually on May 1, with interest payments payable semi-annually on May 1 and November 1 through May 1, 2036. Street improvement sales tax revenues are pledged for the repayment of these Bonds, until the Bonds mature. If sales tax revenues are insufficient to pay the annual principal and interest payments on the bonds the City has covenanted to use General Fund revenues. For fiscal year 2021, pledged sales tax revenues amounted to 1,881,749 which represented coverage of 266% over the debt service of $706,300. As of June 30, 2021, the outstanding balance of the refunded 2008 Sales Tax Refunding Revenue Bonds was 7,340,000. The economic gain on refunding was $525,000, and the refunding resulting in the recognition of an accounting deferred loss on refunding of $514,127.

As of June 30, 2021. The outstanding principal balance was $8,448,738, including unamortized bond premium of $1,108,738.

D. 2012 Recycling Facility Revenue Refunding Bonds

On September 19, 2012, the El Cerrito Public Financing Authority issued Recycling Facility Revenue Refunding Bonds in the original principal amount of $3,405,600 at 2.36% interest to provide for the refunding and retirement of the City's outstanding Recycling Center Lease Purchase Agreement and related Site Lease. Principal and interest payments are due quarterly on July 1, October 1, January 1, and April 1, through October 1, 2025. Repayment of these bonds is from charges for services received by the Integrated Waste Management Enterprise Fund.

As of June 30, 2021, the outstanding principal balance was $1,303,000.

8. LONG-TERM DEBT, Continued

E. Capital Leases

On December 5, 2012, the City entered into a lease agreement in the amount of $1,595,300 at 2.75% interest with Green Campus Partners, LLC, to finance the purchase and installation of six solar photovoltaic electricity generation systems at six different sites in the City. Semiannual principal and interest payments of $65,236 are due each December 1 and June 1 through December 1, 2027. At June 30, 2021, the outstanding principal balance was $771,761.

On January 19, 2018, the City entered into an equipment lease purchase agreement in the amount of $551,498 at 2.887% interest with Capital One Public Funding, LLC, to finance the purchase of two trash trucks. Semiannual principal and interest payments of $43,790 are due each July and January 19, through January 19, 2025. At June 30, 2021, the outstanding principal balance was $321,429.

On December 10, 2018, the City entered into vehicle lease agreement in the amount of $116,120.85 at 4.70% interest with KS State Bank to finance the purchase of two public works and recreation trucks. Annual principal and interest payments of $22,758.39 are due starting January 15, 2019 through January 15, 2023. At June 30, 2021, the outstanding principal balance was $47,775

On July 5, 2019, the City entered into an equipment lease purchase agreement in the amount of $47,667 at 4.70% interest with Wells Fargo Bank, National Association to finance the purchase of a New 2018 Braun Paratransit Van. Monthly principal and interest payments of $1,087 are due starting 2019 through 2023. At June 30, 2021, the outstanding principal balance was $24,853.

On August 1, 2019, the City entered into an equipment lease purchase agreement in the amount of $187,346 at 4.70% interest with Dell Financial services to finance the purchase of a New 2018 Braun Paratransit Van. Annual principal and interest payments of $22,551.53 are due starting August 1, 2019 through August 1, 2023. At June 30, 2021, the outstanding principal balance was $112,223.

On December 8, 2019, the City entered into an equipment lease purchase agreement in the amount of $67,426 at 3.24% interest with Wells Fargo Bank, National Association to finance the purchase of a StarCraft Shuttle bus. Annual principal and interest payments of $18,030 are due starting 2020 through 2024. At June 30, 2021, the outstanding principal balance was $33,678.

7. LONG-TERM DEBT, Continued

F. Debt Service Requirements

Debt service requirements are shown below for all long-term debt:

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2022	$ 847,435	$ 664,024	$ 356,258	$ 38,072
2023	874,854	633,601	365,143	28,982
2024	855,462	601,365	374,497	19,659
2025	839,393	566,142	376,832	10,096
2026	877,699	526,836	151,699	1,386
2027-2031	4,610,448	1,990,574	-	-
2032-2036	5,605,000	786,313	-	-
Subtotal	14,510,290	5,768,854	1,624,429	98,195
Unamortized original issue premium	1,652,273	-	-	-
Total	$ 16,162,563	$ 5,768,854	$ 1,624,429	$ 98,195

8. COMPENSATED ABSENCES

The changes in compensated absences were as follows:

	Governmental Activities	Business Type Activities	Total
Ending Balance - June 30, 2020	$ 2,382,150	$ 64,939	$ 2,447,089
Additions	1,420,161	43,133	1,463,294
Payments	1,172,234	22,280	1,194,514
Ending Balance - June 30, 2021	$ 2,630,077	$ 85,792	$ 2,715,869
Due within one year	$ 1,709,550	$ 55,765	$ 1,765,315
Due in more than one year	$ 920,527	$ 30,027	$ 950,554

The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

10. PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous-Classic	Miscellaneous-PEPRA
Hire Date	Prior to July 1, 2012	On or after July 1, 2012
Benefit Formula	2.7%@55	2%@62
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of annual salary	2.00%-2.70%	1.00%-2.50%
Required employee contribution rates	8.000%	6.750%
Required employer contribution rates	14.194%	7.732%

	Safety -Classic	Safety -PEPRA
Hire Date	On or after January 1, 2013	On or after January 1, 2013
Benefit Formula	3%@50	2.7%@57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of annual salary	3%	2.00%-2.70%
Required employee contribution rates	9.000%	11.500%
Required employer contribution rates	23.674%	13.044%

10. PENSION PLANS, Continued

A. General Information about the Pension Plans, Continued

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City's contribution to the Plan for the measurement period ended June 30, 2020 was $7,194,477.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of $70,374,424.

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.642460%
Proportion - June 30, 2020	0.646800%
Change - Increase (Decrease)	0.004340%

For the year ended June 30, 2021, the City recognized pension expense of $10,429,258. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 7,713,430	$ -
Differences between actual and expected experience	4,914,014	
Changes in assumptions	-	313,796
Net differences between projected and actual earnings on plan investments	1,696,007	-
Change in employer's proportion	348,319	410,569
Differences between employer's contributions and the employer's proportionate share of contributions	284,185	-
Total	$ 14,955,955	$ 724,365

10. PENSION PLANS, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

$7,713,430 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Ending June 30:		
2022	$	1,297,258
2023		2,587,495
2024		1,796,904
2025		836,503

Actuarial Assumptions- The total pension liability in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return (1)	7.15%
Mortality (2)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA upto 2.50% until purchasing

(1) Net of pension plan investment expenses.
(2) The mortality table used was developed based on CalPERSspecific data. The table includes 15 years of mortality

10. PENSION PLANS, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100%		

(a) An expected inflation of 2.0% used for this period.
(b) An expected inflation of 2.92% used for this period.

10. PENSION PLANS, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate- The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		6.15%
Net Pension Liability	$	99,389,189
Current Discount Rate		7.15%
Net Pension Liability	$	70,374,424
1% Increase		8.15%
Net Pension Liability	$	46,517,266

Pension Plan Fiduciary Net Position- Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payables to the Pension Plan

At June 30, 2021, the City reported $0 payables for outstanding amounts of contributions for the CalPERS Miscellaneous and Safety Cost Sharing Multiple-Employer Plans.

11. OTHER POST EMPLOYMENT BENEFITS

A. Plan Descriptions

The City's postemployment benefit plan is a single-employer plan. The City does not provide health care benefits to its retired employees, however, the City provides postretirement health care benefits to employees who retire in good standing from the City by allowing them to maintain their health plan benefit level at the time of retirement at the retiree's own cost, if permitted by the health insurance carrier. The City's medical insurance providers charge the City the same premiums for retirees who are not yet eligible for Medicare as they charge for active employees. Since retirees typically have higher health costs than active employees, the retiree premium rates are being subsidized by the inclusion of active lives in setting rates.

B. Employees Covered

As of measurement date June 30, 2020, the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive entitled to but not yet receiving benefits	-
Active employees	177
Total	221

C. Contributions

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or employee associations. Currently, contributions are not required from plan members. The City pays benefits as they come due.

D. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	2.21% at June 30, 2020 (Bond Buyer 20- Bond Index)
Inflation	2.75% annually
Salary Increases	3% - Aggregated annually
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2019
Healthcare cost trend rates:	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years

11. OTHER POST EMPLOYMENT BENEFITS, Continued

E. Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as of the valuation date.

F. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020 (6/30/2019 measurement date)	$ 3,906,161
Changes in the year:	
Service cost	226,219
Interest on the total pension liability	142,404
Differences between actual and expected experience	-
Changes in assumptions	740,085
Benefit payments	(127,435)
Net changes	981,273
Balance at June 30, 2021 (6/30/2020 measurement date	$ 4,887,434

Sensitivity of the Total OPEB liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease - 2.5%		
Total OPEB liability	$	5,608,281
Current Discount Rate - 3.5%		
Total OPEB liability	$	4,887,434
1% Increase - 4.5%		
Total OPEB liability	$	4,298,225

11. OTHER POST EMPLOYMENT BENEFITS, Continued

F. Changes in the Total OPEB Liability, Continued

Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rate – The following presents the total OPEB liability of the City for the Plan, calculated using the healthcare cost trend rate for the Plan, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		
Total OPEB liability	$	4,161,290
Current Healthcare Trend Rate		
Total OPEB liability	$	4,887,434
1% Increase		
Total OPEB liability	$	5,786,555

G. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

All amounts	Expected average remaining service lifetime (EARSL) (9.5 years at June 30, 2020)

H. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of $489,961. For the fiscal year ended June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 146,184	$ -
Differences between expected and actual experience	425,769	-
Changes in assumptions	784,218	168,682
Total	$ 1,356,171	$ 168,682

11. OTHER POST EMPLOYMENT BENEFITS, Continued

H. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

The $146,184 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of Resources
2022	$ 121,338
2023	121,338
2024	121,338
2025	121,338
20206	121,338
Thereafter	434,615

I. Deferred Compensation 457 Plan

City employees may defer a portion of their compensation under City sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under these Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as deemed by the Plans.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements

In the year 2021, The City has evaluated the requirements of GASB Statement No. 84, Fiduciary Activities and GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans and determined that plan didn't meet the criteria to be reported as a fiduciary activity, as required by Statement No. 84. Moreover the plan is classified as other employee benefits for financial reporting purposes as required by Statement No. 97.

12. SOCIAL SECURITY

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employers existing system as of January 1, 1992 be covered by either Social Security or an alternative plan.

The City's non-sworn full-time employees and part-time, seasonal, and temporary employees that do not participate in the Public Agency Retirement Services program (PARS) are covered under Social Security, which requires these employees and the City to each contribute 6.2% of the employees' pay. Total contributions to Social Security during the year ended June 30, 2021 amounted to $786,713, of which the City paid $393,356.

13. RISK MANAGEMENT

A. Municipal Pooling Authority (MPA)

The City is a member of the Municipal Pooling Authority of Northern California. The Authority provides coverage against the following types of loss risks under the terms of a joint-powers agreement with the City and several other cities and governmental agencies as follows:

Type of Coverage (Deductible)	Coverage Limits
Liability ($5,000)	$ 29,000,000
Vehicle - Physical Damage ($3,000 for police vehicles, $2,000 for all others)	250,000
Worker's Compensation (no deductible)	Statutory Limit
Property:	
All Risk ($25,000)	1,000,000,000
Flood*	25,000,000
Boiler & Machinery ($5,000)	100,000,000
Cyber Liability ($50,000)	2,000,000
Public Entity Pollution Liability ($100,000)	1,000,000
Government Crime Policy ($10,000)	1,000,000
* $100,000 minimum deductible per occurrence, except Zone A & V, which are subject to a $250,000 deductible per occurrence	

The Authority is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the MPA, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's deposits with the MPA are in accordance with formulas established by the MPA. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for the Authority are available from MPA, 1911 San Miguel Drive, Suite 200, Walnut Creek, CA 94596.

13. RISK MANAGEMENT, CONTINUED

B. Equipment

The City has a commercial insurance policy which provides physical loss or damage coverage for four fire vehicles and one training trailer up to a maximum of $2,737,000. The City has a deductible or uninsured liability of $5,000 per claim.

C. Liability for Uninsured Claims

The City provides for the uninsured portion of claims and judgments, including a provision for claims incurred but not reported, when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable.

Prior to June 30, 1998, the City's deductible for workers' compensation claims was $350,000 per claim. Claims were handled by a third-party administrator, and actuarial estimates were developed for the probable amounts ultimately to be paid by the City for such claims.

The City's liability for uninsured claims at June 30 was estimated by management based on claims experience reported by MPA and the pre-1998 workers' compensation claims discussed above, and was computed as follows:

	2021	2020	2019
Beginning Balance - July 1	$ 28,741	$ 36,165	$ 21,402
Change in provision for prior fiscal year claims	(5,841)	(6,694)	22,858
Claims paid	(7,900)	(730)	(8,095)
Ending Balance - June 30	$ 15,000	$ 28,741	$ 36,165
Due within one year	$ 6,000	$ 11,580	$ 14,571
Due in more than one year	$ 9,000	$ 17,161	$ 21,594

Settlements have not exceeded insurance in the past three fiscal years.

14. COMMITMENTS AND CONTINGENCIES

A. Litigation

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no presently filed litigation which is likely to have a material adverse effect on the financial position of the City.

B. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2021 were: $487,270 in the General Fund, $516,828 in the Capital Improvement Fund, and $968,380 in all other Non-Major Governmental Funds.

C. Federal and State Grant Programs

The City participates in several federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

15. COOPERATION AGREEMENT BETWEEN REDEVELOPMENT AGENCY AND MUNICIPAL SERVICES CORPORATION

Prior to dissolution of the El Cerrito Redevelopment Agency, the Agency entered into a Cooperation Agreement with the City that was subsequently assigned to the El Cerrito Municipal Services Corporation (MSC). Under the terms of the Agreement, the Agency transferred to the MSC certain properties and funds to be used for redevelopment purposes and the Agency also agreed to provide funds to the MSC in the future in return for the MSC completing redevelopment activities. The Successor Agency has listed the Cooperation Agreement on its Recognized Obligation Payment Schedule, which have been approved by the Oversight Board. However, no post-dissolution payments have been made since the State Department of Finance has consistently denied that this Cooperation Agreement is an enforceable obligation of the Successor Agency.

16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. Redevelopment Dissolution

In an effort to balance its budget, the State of California adopted ABxl 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities as of that date and dissolved redevelopment agencies effective February 1, 2012. In 2011, the City elected to serve as the former El Cerrito Redevelopment Agency's Successor Agency to manage and wind down the affairs and obligations of the former Redevelopment Agency. Certain housing assets of the Redevelopment Agency were distributed to the City acting as the housing successor. All remaining Redevelopment Agency liabilities, debts and obligations were transferred to the Successor Agency.

In addition, ABxl 26 and AB1484 directed the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller's Office completed its asset transfer review of the former Agency and released its final report in July 2014. The final report indicates the former Redevelopment Agency made unallowable transfers to the Municipal Services Corporation in fiscal years 2011 and 2012 totaling $12,550,551, consisting of cash of $2,382,232, land held for redevelopment of $4,634,789 and capital assets of $5,533,530. The City, Successor Agency and Corporation disagreed with the funding of the asset transfer review and maintained that the transactions in question between the former El Cerrito Redevelopment Agency and the Municipal Services Corporation were valid.

The activities of the Successor Agency are reported in the El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust Fund. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency. The Successor Agency's Recognized Obligations Payment Schedule (ROPS) was reviewed until 2018 by a local Oversight Board. The local Oversight Board was dissolved in 2018 and was replaced by a countywide Oversight Board.

16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

A. Redevelopment Dissolution, Continued

Cash and investments of the Successor Agency as of June 30, 2021 are discussed in Note 2. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2021.

B. Long-term Obligations

The Successor Agency assumed the long-term debt, notes and loans of the Redevelopment Agency as of February 2012.

All of the long-term obligations of the Successor Agency include Tax Allocation Bonds, notes and loans issued by the Redevelopment Agency. The Bonds, notes and loans are special obligations of the Agency and are secured only by the Agency's tax increment revenues. Tax Allocation Bond, note and loan transactions were as follows:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year	More Than One Year
Tax Allocation Bonds:						
2016 Refunding Bonds - Tax Exempt	$ 9,069,710	$ -	$ (89,983)	$ 8,979,727	$ 1,909,310	$ 7,070,417
2016 Refunding Bonds - Non Exempt	1,702,000	-	(1,702,000)	-		-
Total Long-Term Obligations	$ 10,771,710	$ -	$ (1,791,983)	$ 8,979,727	$ 1,909,310	$ 7,070,417

16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

B. Long-term Obligations, Continued

2016 Refunding Tax Allocation Bonds

On August 3, 2016, the Successor Agency to the El Cerrito Redevelopment Agency issued Series 2016 Tax Allocation Refunding Bonds in the amount of $12,330,710. The proceeds from the bonds were used to refund the Series 1997A Tax Allocation Refunding Bonds and Series 2004 A and B Tax Allocation Bonds. Bonds issued in the amount of $8,979,727 are tax-exempt.

The economic gain on refunding was $83,000, and the deferred amount resulting from the refunding was considered to be immaterial to the financial statements and expensed during the year.

Debt service requirements for all long-term debt are shown below:

Year Ending June 30,	Principal	Interest
2022	$ 1,909,310	$ 213,485
2023	1,957,533	165,261
2024	2,006,975	115,818
2025	2,057,667	65,127
2026	1,048,242	13,155
Total	$ 8,979,727	$ 572,846

16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

C. Commitments and Contingencies

State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi- annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time.

State Asset Transfer Review

The State Controller's Office conducted a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January l, 2011. The State Controller's Office completed its asset transfer review of the former Agency and released its final report in July 2014. The final report indicated the former Redevelopment Agency made unallowable transfers to the Municipal Services Corporation in fiscal years 2011 and 2012 totaling $12,550,551, consisting of cash of $2,382,232, land held for redevelopment of $4,634,789 and capital assets of $5,533,530. These transfers were deemed unallowable by the Department of Finance, disputed by the City, Successor Agency and Corporation, and subject to litigation. In 2015, the Successor Agency received a "finding of completion" from the Department of Finance confirming that the Successor Agency had fulfilled its requirement to pay back the unallowable cash transfers by entering into an Installment Payment Plan thereby entitling the Successor Agency to prepare a Long Range Property Management Plan (LRPMP) for Oversight Board and DOF approval. Also, in 2015 the Successor Agency prepared the LRPMP which was approved by the DOF directing the properties be transferred back to the City for disposition and development. In fiscal year 2019, consistent with the approved LRPMP, the City entered into a Compensation Agreement with each of the Affected Taxing Entities as required by the approved LRPMP. Per the Compensation Agreement the City sold the Mayfair block and Eastshore block and Potrero properties for development, at Fair Market Value or Fair Reuse Value. The net proceeds were distributed by the Auditor-Controller to the Taxing Entities in proportion to their shares of the Base Property Tax less any outstanding amount of enforceable obligation related to the properties.

16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

C. Commitments and Contingencies, Continued

Due Diligence Reviews

AB1484 required the Successor Agency to complete two Due Diligence Reviews (DDR) to determine the amount of the remaining assets that should be transferred by the City to the Successor Agency or by the Successor Agency to the County for distribution to the affected taxing entities

In April 2013, the State Department of Finance (DOF) completed its review of the DDR of the Low and Moderate Housing Fund's cash balance available for allocation to the affected taxing entities. The DDR indicated the Successor Agency had no unencumbered balances in the Low and Moderate Income Housing Fund for distribution to the affected taxing entities

In June 2013, the DOF completed its review of the DDR of all other funds of the former Redevelopment Agency. The DDR indicated there were no assets available for allocation to the affected taxing entities, but that amount was adjusted by the DOF to $1,981,989. In addition, the DOF demanded the City reverse $10,168,319 of property conveyances executed in fiscal year 2012 and a payment of $400,243 of bond proceeds to the Corporation. The City, Successor Agency and Corporation disputed the adjustments and demand and filed suit against the DOF and the Contra Costa County Auditor Controller challenging the DOF's adjustments to the DDR and other demands. On September 3, 2014, the Court ruled against the City, Successor Agency and Corporation regarding the transfers and the cooperation agreement. The City, Successor Agency and Corporation appealed the decision. Thereafter, as described above, in September 2015, the City, Successor Agency, and DOF entered into an Installment Payment Plan Agreement for the repayment of the OFA DDR amounting to $1,981,989 and the total amount of cash that the DOF claimed was owed was fully paid in 2018.

The Court of Appeals heard oral arguments on January 19, 2021 and subsequently denied the appeal. The City decided not to litigate any further and as a result, the City wrote off the General Fund Advance to the Successor Agency in the amount of $1,321,189. Since the repayment to the DOF was already completed, this write-off has no impact on City cash.

17. NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis, as explained in Note 1.

A. Fund Deficits

The following funds had fund balance or net position deficits as of June 30, 2021:

Fund	Amount
Successor Agency Private Purpose Trust Fund	$ 8,747,435

The Successor Agency Private Purpose Trust Fund will be eliminated by RPTTF revenue over the years of the life of the existing bonds.

18. UNAVAILABLE REVENUE

Unavailable revenue, including unavailable sales tax, interest receivable and accounts receivable comprised balances from the following funds:

Description	Unavailable Interest Revenue
Governmental Funds:	
Low/Moderate Income Housing Asset Fund	$ 1,124,127
Total governmental funds	$ 1,124,127

19. PRIOR PERIOD ADJUSTMENTS

The City recorded prior period adjustments to correct and reclassify land held for resale to capital assets.

	Fund Balance, as Previously Reported at June 30, 2020	Prior Period Adjustments: Land Held For Resale	Fund Balance, as Restated at June 30, 2020
Fund Financial Statements			
Nonmajor Governmental Funds:			
Municipal Service Corporation SFR	$ 1,048,030	$ (302,713)	$ 745,317

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REQUIRED SUPPLEMENTARY INFORMATION

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1. BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Control and Budgetary Accounting

Annually, the City Manager submits to the City Council a proposed operating budget in June for the following fiscal year, as required by the City's budget ordinance. This budget includes proposed expenditures and the revenues expected to finance them. As modified during public study sessions, the preliminary budget becomes the proposed budget. Public hearings are conducted to obtain taxpayer comments and the budget is legally enacted through passage of a resolution. The City Manager is authorized to transfer budgeted amounts within departments within funds. In addition, amendments that are made to authorize spending of increased or new special purpose revenues may be approved by the City Manager. Budget modifications between funds or increases or decreases to a fund's overall budget must be approved by the City Council. The legal level of budgetary control is at the fund level, except for the Municipal Services Corporation which requires approval by its Board.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Unexpended appropriations lapse at year end and must be reappropriated in the following year.

Budgeted amounts are as originally adopted, or as amended by the City Council.

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

General Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property taxes	$ 10,490,001	$ 10,290,001	$ 10,770,532	$ 480,531
Taxes other than property	17,086,000	16,886,000	21,103,813	4,217,813
Licenses and permits	758,512	758,512	656,881	(101,631)
Fines and penalties	170,000	95,000	177,525	82,525
Use of money and property	106,468	104,568	159,448	54,880
Intergovernmental revenues	4,158,654	4,858,654	5,163,658	305,004
Charges for services	6,301,563	4,822,643	4,990,472	167,829
Other revenues	237,000	153,100	165,146	12,046
Total revenues	39,308,198	37,968,478	43,187,475	5,218,997
EXPENDITURES:				
General Government:				
City council	213,709	213,709	162,153	51,556
City manager	910,264	910,264	823,014	87,250
City attorney	318,270	470,434	250,543	219,891
Financial services	1,313,570	1,313,570	1,295,815	17,755
City clerk	396,563	354,563	362,059	(7,496)
Information systems	881,218	881,218	886,828	(5,610)
Employee services	1,172,677	1,172,677	1,403,511	(230,834)
Public works	1,629,746	1,629,746	1,448,080	181,666
Recreation	4,599,700	3,802,029	3,827,764	(25,735)
Community development	2,477,605	2,477,605	2,532,671	(55,066)
Public safety:				
Police	12,233,733	12,158,733	11,629,196	529,537
Fire	11,645,813	12,345,813	12,168,376	177,437
Capital outlay	21,000	21,000	26,547	(5,547)
Debt service:				
Principal	130,618	130,831	163,008	(32,177)
Interest and fiscal charges	104,739	104,478	231,066	(126,588)
Total expenditures	38,049,225	37,986,670	37,210,631	776,039
REVENUES OVER (UNDER) EXPENDITURES	1,258,973	(18,192)	5,976,844	5,995,036
OTHER FINANCING SOURCES (USES):				
Transfers in	53,671	53,671	3,178,240	3,124,569
Transfers (out)	(665,612)	(665,612)	(580,612)	85,000
Total other financing sources (uses)	(611,941)	(611,941)	2,597,628	3,209,569
SPECIAL ITEMS				
Advance to El Cerrito Successor Agency write-off	-	-	(1,321,189)	(1,321,189)
Total special items	-		(1,321,189)	(1,321,189)
Net change in fund balance	647,032	(630,133)	7,253,283	7,883,416
FUND BALANCE:				
Beginning of year	(110,021)	(110,021)	(110,021)	-
End of year	$ 537,011	$ (740,154)	$ 7,143,262	$ 7,883,416

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Low/Mod Income Housing Asset Special Revenue Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Use of money and property	$ -	$ -	$ 47,132	$ 47,132
Other revenues	164,800	164,800	217	(164,583)
Total revenues	164,800	164,800	47,349	(117,451)
EXPENDITURES:				
Community development	196,730	196,730	15,353	181,377
Total expenditures	196,730	196,730	15,353	181,377
Net change in fund balance	(31,930)	(31,930)	31,996	63,926
FUND BALANCE:				
Beginning of year	5,215,780	5,215,780	5,215,780	-
End of year	$ 5,183,850	$ 5,183,850	$ 5,247,776	$ 63,926

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Federal, State and Local Grants Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 130,000	$ 245,000	$ 3,213,458	$ 2,968,458
Total revenues	130,000	245,000	3,213,458	2,968,458
EXPENDITURES:				
Public works	-	-	703	(703)
Community development	-	115,000	81,868	33,132
Public safety:				
Police	30,000	30,000	7,862	22,138
Total expenditures	30,000	145,000	90,433	54,567
REVENUES OVER (UNDER) EXPENDITURES	100,000	100,000	3,123,025	3,023,025
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	-	(3,051,028)	(3,051,028)
Total other financing sources (uses)	-	-	(3,051,028)	(3,051,028)
Net change in fund balance	100,000	100,000	71,997	(28,003)
FUND BALANCE:				
Beginning of year	52,618	52,618	52,618	-
End of year	$ 152,618	$ 152,618	$ 124,615	$ (28,003)

2. DEFINED BENEFIT PENSION PLAN

*A. Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years**

Fiscal year:	2021	2020	2019	2018	2017	2016	2015
Measurement date:	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	0.64680%	0.64246%	0.64191%	0.62291%	0.63380%	0.67006%	0.63182%
Proportionate share of the net pension liability	$70,374,424	$65,832,700	$61,856,499	$61,775,131	$54,843,657	$45,992,107	$39,314,773
Covered payroll	$17,913,225	$17,236,142	$16,978,389	$15,809,206	$14,674,532	$14,363,735	$13,945,374
Proportionate Share of the net pension liability as percentage of covered payroll	392.86%	381.95%	364.32%	390.75%	373.73%	320.20%	281.92%
Plan fiduciary net position as a percentage of the total pension liability	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to Schedule:

***-** Fiscal year 2015 was the 1st year of implementation.

Assumption Changes: The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016, and then decreased from 7.65% to 7.15 in fiscal year 2018. The CalPERS mortality assumption were also adjusted in fiscal year 2019.

*B. Schedule of Contributions – Last 10 Years**

Fiscal year	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution (actuarially determined)	$ 7,713,430	$ 7,194,477	$ 6,351,717	$ 5,707,962	$ 5,112,607	$ 4,587,279	$ 601,837
Contribution in relation to the actuarially determined contributions	(7,713,430)	(7,194,477)	(6,353,342)	(5,707,962)	(5,112,607)	(4,587,279)	(601,837)
Contribution deficiency (excess)	$ -	$ -	$ (1,625)	$ -	$ -	$ -	$ -
Covered payroll	$ 16,891,179	$ 17,913,225	$ 17,236,142	$ 16,978,389	$ 15,809,206	$ 14,674,532	$ 14,363,735
Contributions as a percentage of covered payroll	45.67%	40.16%	36.86%	33.62%	32.34%	31.26%	4.19%
Note to Schedule							
Valuation date:**	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

* - Fiscal year 2015 was the 1st year of implementation.

** Date of actuarial valuation used to determine the contractually required contribution.

Actuarially Determined Contribution Assumptions:

Valuation Date	6/30/2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay, direct rate smoothing
Remaining Amortization Periods	Differs by employer rate plan but not more than 30 years
Asset Valuation Method	Market Value of Assets
Inflation	2.50%
Salary Increases	Varies by Entr Varies by Entry Age and Service
Discount Rate	7.00%
Mortality	Based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

3. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Schedule of Changes in the Total OPEB Liability and Related Ratios for the Measurement Periods Ended June 30[(1)]

Measurement Period	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	$ 226,219	$ 222,895	$ 227,104	$ 249,017
Interest on the total OPEB liability	142,404	122,125	108,071	85,412
Differences between expected and actual experience	-	536,359	-	-
Changes of assumptions	740,085	153,735	(78,032)	(193,528)
Benefit payments, including refunds of employee contributions	(127,435)	(123,492)	(108,491)	(85,828)
Net change in total OPEB liability	981,273	911,622	148,652	55,073
Total OPEB liability - beginning	3,906,161	2,994,539	2,845,887	2,790,814
Total OPEB liability - ending	$ 4,887,434	$ 3,906,161	$ 2,994,539	$ 2,845,887
Covered-employee payroll	$ 20,116,446	$ 20,035,461	$ 18,923,691	$ 18,173,174
Total OPEB liability as a percentage of covered-employee payroll	24.30%	19.50%	15.82%	15.66%

Notes to Schedule:

(1) Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Benefit Changes : There was no changes in benefit plan

Changes of Assumptions : For the measurement period June 30, 2019, Discount rate (3.50%) was updated based on municipal bond rate. Mortality improvement scale was also updated to Scale MP-2019. For the measurement date June 30, 2020, Discount rate (2.21%) was updated based on municipal bond rate as of the measurement date.

SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Municipal Services Corporation Special Revenue Fund accounts for the activities of the El Cerrito Municipal Services Corporation, a nonprofit corporation established to assist the City with public communications and financing of public improvements and later with the elimination of community blight and deterioration within the City.

Gas Tax Fund accounts for revenues and expenditures received from the State of California under Street and Highways Code Section 2105, 2106, 2107, and 2107.5. The allocations must be spent for street maintenance and construction and a limited amount for engineering.

Landscape and Lighting Assessment Fund accounts for assessments made upon parcels of land within the Lighting and Landscaping Districts and disburses funds in accordance with the provisions of the State of California Streets and Highway Code.

Measure A Parcel Tax Fund accounts for the use of the voter-approved special tax to be used for the swim center and park capital project.

National Pollution Discharge Elimination System Fund accounts for storm water utility fees assessed to property owners city-wide on their property tax bills. The funds are used to pay for the "National Pollution Discharge Elimination System" mandated by the Federal government to prevent further polluting of our streams and bays.

Asset Seizure Fund accounts for revenues received from sale of assets seized during drug-related arrests and disburses these funds for authorized public safety activities.

Vehicle Abatement Fund accounts for revenues received from Vehicle Code Section 9250.7 to administer and operate the local vehicle abatement program.

Park In Lieu Fund accounts for funds received through negotiations with developers to be used for park improvements.

Public Art Fund accounts for fees related to development that is committed to art in public places.

Road Repair and Accountability Fund accounts for Senate Bill 1 (SB1) with the aim of repairing roads, improving traffic safety and expanding public transit systems.

Measure J Paratransit Fund accounts for the portion of the half-cent County-wide sales tax levied to fund transportation improvements to local streets.

City Housing Special Revenue Fund accounts for housing-related grants and special revenues, such as developer deposits, that are restricted for affordable housing purposes, but are not activities or assets of the Housing Successor.

Measure H Parcel Tax Parks and Recreation Facilities Fund accounts for the use of voter-approved special tax for the maintenance and enhancement of parks and recreation facilities including the Swim Center, playgrounds, open space and trails, park amenities, community center and clubhouses.

DEBT SERVICE FUND

Public Financing Authority Debt Service Fund accounts for principal and interest payments on lease revenue bonds issued by the City of El Cerrito Public Financing Authority.

CAPITAL PROJECT FUNDS

Capital Improvements Capital Projects Fund accounts for funds expended on various City capital projects.

Storm Drain Fund accounts for assessments collected and funds expended for the maintenance and upgrade of the storm drains.

Measure J Fund accounts for the portion of the half-cent County-wide sales tax levied to fund transportation improvements to local streets.

Street Improvement Fund accounts for the street maintenance and improvement projects funded by the 2008 Sales Tax Revenue Bonds.

City of El Cerrito
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021

	Special Revenue				
	Municipal Service Corporation Special Revenue Fund	Gas Tax Fund	Landscape and Lighting Assessment Fund	Measure A Parcel Tax Fund	National Pollution Discharge Elimination System Fund
ASSETS					
Cash and investments	$ 41,631	$ 112,899	$ 221,595	$ 323,867	$ 209,790
Accounts receivable	-	-	11,199	-	-
Due from other governments	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total assets	$ 41,631	$ 112,899	$ 232,794	$ 323,867	$ 209,790
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ 4,300	$ 96,476	$ -	$ 1,435
Accrued liability	-	2,498	2,690	122	2,414
Deposits payable	-	-	-	-	-
Total liabilities	-	6,798	99,166	122	3,849
Fund Balances:					
Restricted for:					
Redevelopment Projects & Programs:	41,631	106,101	-	-	-
Debt service	-	-	-	-	-
Street improvements	-	-	133,628	-	-
Transportation projects	-	-	-	-	-
Public Safety - Police	-	-	-	-	-
Public Safety - Vehicle Abatement	-	-	-	-	-
Park and Recreation	-	-	-	323,745	-
Storm drains	-	-	-	-	205,941
Public Art	-	-	-	-	-
City Housing	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	41,631	106,101	133,628	323,745	205,941
Total liabilities, deferred inflows of resources, and fund balances	$ 41,631	$ 112,899	$ 232,794	$ 323,867	$ 209,790

Special Revenue								
Asset Seizure Fund	Vehicle Abatement Fund	Park In Lieu Fund	Public Art Fund	Road Repair and Accountability Fund	Measure J Paratransit	City Housing Fund	Measure H Parcel Tax Parks & Rec. Facilities Fund
$ 390,984	$ 405,041	$ 2	$ 155,838	$ 707,381	$ 235,590	$ -	$ 175,043
-	-	-	-	84,298	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,860,000	-
$ 390,984	$ 405,041	$ 2	$ 155,838	$ 791,679	$ 235,590	$ 2,860,000	$ 175,043
$ -	$ -	$ -	$ 1,000	$ 25,203	$ 10	$ -	$ 34,236
-	-	-	-	-	280	-	-
81,721	-	-	-	-	-	25,000	-
81,721	-	-	1,000	25,203	290	25,000	34,236
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	766,476	-	-	-
-	-	-	-	-	235,300	-	-
309,263	-	-	-	-	-	-	-
-	405,041	-	-	-	-	-	-
-	-	2	-	-	-	-	140,807
-	-	-	-	-	-	-	-
-	-	-	154,838	-	-	-	-
-	-	-	-	-	-	2,835,000	-
-	-	-	-	-	-	-	
309,263	405,041	2	154,838	766,476	235,300	2,835,000	140,807
$ 390,984	$ 405,041	$ 2	$ 155,838	$ 791,679	$ 235,590	$ 2,860,000	$ 175,043

City of El Cerrito
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021

	Debt Service	Capital Projects				
	Public Financing Authority Fund	Capital Improvement Fund	Storm Drain Fund	Measure J Fund	Street Improvement Fund	Total Non-Major Governmental Funds
ASSETS						
Cash and investments	$ 203,600	$ 591,299	$ 641,111	$ 291,756	$ 1,800,833	$ 6,508,260
Accounts receivable	-	4,900	-	-	-	100,397
Due from other governments	-	-	-	-	377,596	377,596
Loans receivable	-	-	-	-	-	2,860,000
Total assets	$ 203,600	$ 596,199	$ 641,111	$ 291,756	$ 2,178,429	$ 9,846,253
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ 119,467	$ 14,454	$ 13,078	$ 52,303	$ 361,962
Accrued liabilities	-	-	4,134	1,226	1,343	14,707
Deposits payable	-	-	-	-	-	106,721
Total liabilities	-	119,467	18,588	14,304	53,646	483,390
Fund Balances:						
Restricted for:						
Redevelopment Projects & Programs:	-	-	-	-	-	147,732
Debt service	203,600	-	-	-	-	203,600
Street improvements	-	476,732	-	-	2,124,783	3,501,619
Transportation projects	-	-	-	277,452	-	512,752
Public Safety - Police	-	-	-	-	-	309,263
Public Safety - Vehicle Abatement	-	-	-	-	-	405,041
Park and Recreation	-	-	-	-	-	464,554
Storm drains	-	-	622,523	-	-	828,464
Public Art	-	-	-	-	-	154,838
City Housing Trust	-	-	-	-	-	2,835,000
Unassigned	-	-	-	-	-	-
Total fund balances	203,600	476,732	622,523	277,452	2,124,783	9,362,863
Total liabilities, deferred inflows of resources, and fund balances	$ 203,600	$ 596,199	$ 641,111	$ 291,756	$ 2,178,429	$ 9,846,253

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City of El Cerrito

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2021

	Special Revenue				
	Municipal Service Corporation Special Revenue Fund	Gas Tax Fund	Landscape and Lighting Assessment Fund	Measure A Parcel Tax Fund	National Pollution Discharge Elimination System Fund
REVENUES:					
Taxes and assessments	$ -	$ -	$ 784,974	$ -	$ -
Fines and penalties	-	-	-	-	-
Use of money and property	-	-	-	-	-
Intergovernmental revenues	-	553,148	11,199	-	316,072
Charges for services	-	-	-	-	-
Other revenues	-	-	2,826	-	-
Total revenues	-	553,148	798,999	-	316,072
EXPENDITURES:					
Current:					
General Government	-	-	-	-	-
Public works	774	461,479	645,123	-	326,186
Recreation	-	-	95,422	5,347	-
Community development	615	-	-	-	-
Public safety	-	-	-	-	-
Capital outlay	-	-	-	-	-
Principal	-	-	-	-	-
Interest and fiscal fees	-	-	-	-	-
Total expenditures	1,389	461,479	740,545	5,347	326,186
REVENUES OVER (UNDER) EXPENDITURES	(1,389)	91,669	58,454	(5,347)	(10,114)
OTHER FINANCING SOURCES (USES):					
Loss on sale of land held for resale	(371,500)				
Payment to Contra Costa County - share of land sale	(257,256)	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	(73,541)	-	-	(187,014)	-
Total other financing sources (uses)	(702,297)	-	-	(187,014)	-
Net change in fund balances	(703,686)	91,669	58,454	(192,361)	(10,114)
FUND BALANCES:					
Beginning of year, as restated	745,317	14,432	75,174	516,106	216,055
End of year	$ 41,631	$ 106,101	$ 133,628	$ 323,745	$ 205,941

Special Revenue							
Asset Seizure Fund	Vehicle Abatement Fund	Park In Lieu Fund	Public Art Fund	Road Repair and Accountability Fund	Measure J Paratransit	City Housing Fund	Measure H Parcel Tax Parks & Rec. Facilities Fund
$ -	$ -	$ -	$ -	$ -	$ 169,366	$ -	$ 636,948
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	11,174	-	784	462,592	-	-	-
-	-	-	-	-	6,485	-	-
-	-	-	-	90	-	-	-
-	11,174	-	784	462,682	175,851	-	636,948
-	-	-	-	-	-	-	-
-	-	-	-	133,760	-	-	445,628
-	-	-	-	-	67,442	-	-
-	-	-	10,926	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	44,051	-	-	-
-	-	-	-	-	27,298	-	-
-	-	-	-	-	3,776	-	-
-	-	-	10,926	177,811	98,516	-	445,628
-	11,174	-	(10,142)	284,871	77,335	-	191,320
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(50,000)
-	-	-	-	-	-	-	(50,000)
-	11,174	-	(10,142)	284,871	77,335	-	141,320
309,263	393,867	2	164,980	481,605	157,965	2,835,000	(513)
$ 309,263	$ 405,041	$ 2	$ 154,838	$ 766,476	$ 235,300	$ 2,835,000	$ 140,807

City of El Cerrito

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2021

	Debt Service	Capital Projects				
	Public Financing Authority Fund	Capital Improvement Fund	Storm Drain Fund	Measure J Fund	Street Improvement Fund	Total Non-Major Governmental Funds
REVENUES:						
Taxes and assessments	$ -	$ -	$ 706,322	$ 491,221	$ 1,881,749	$ 4,670,580
Fines and penalties	-	-	-	-	-	-
Use of money and property	51	-	-	-	-	51
Intergovernmental revenues	-	993,764	-	-	-	2,348,733
Charges for services	-	-	-	-	-	6,485
Other revenues	-	47,821	-	18,867	8,066	77,670
Total revenues	51	1,041,585	706,322	510,088	1,889,815	7,103,519
EXPENDITURES:						
Current:						
General Government	-	-	-	-	1,225	1,225
Public works	-	20,337	429,894	321,994	100,191	2,885,366
Recreation	-	-	-	-	-	168,211
Community development	-	-	-	-	-	11,541
Public safety	-	-	-	-	-	-
Capital outlay	-	948,480	427,823	-	205,699	1,626,053
Principal	820,200	-	-	-	-	847,498
Interest and fiscal fees	653,727	-	-	-	-	657,503
Total expenditures	1,473,927	968,817	857,717	321,994	307,115	6,197,397
REVENUES OVER (UNDER) EXPENDITURES	(1,473,876)	72,768	(151,395)	188,094	1,582,700	906,122
OTHER FINANCING SOURCES (USES):						
Loss on sale of land held for resale						(371,500)
Payment to Contra Costa County - share of land sale	-	-	-	-	-	(257,256)
Transfers in	1,473,926	20,000	-	-	-	1,493,926
Transfers (out)	-	-	-	(20,000)	(706,300)	(1,036,855)
Total other financing sources (uses)	1,473,926	20,000	-	(20,000)	(706,300)	(171,685)
Net change in fund balances	50	92,768	(151,395)	168,094	876,400	734,437
FUND BALANCES (DEFICITS):						
Beginning of year	203,550	383,964	773,918	109,358	1,248,383	8,628,426
End of year	$ 203,600	$ 476,732	$ 622,523	$ 277,452	$ 2,124,783	$ 9,362,863

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Municipal Services Corporation Special Revenue Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Public works	-	-	774	(774)
Community development	$ -	$ -	$ 615	$ (615)
Total expenditures	-	-	1,389	(1,389)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,389)	(1,389)
OTHER FINANCING SOURCES (USES):				
Payment to Contra Costa County - share of land sale	-	-	(371,500)	(371,500)
Land Sale Proceeds to Contra Costa County	-	-	(257,256)	(257,256)
Transfers (out)	-	-	(73,541)	(73,541)
Total other financing sources (uses)	-	-	(702,297)	(702,297)
Net change in fund balance	-	-	(703,686)	(703,686)
FUND BALANCE:				
Beginning of year, as restated	745,317	745,317	745,317	-
End of year	$ 745,317	$ 745,317	$ 41,631	$ (703,686)

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Gas Tax Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 610,297	$ 610,297	$ 553,148	$ (57,149)
Total revenues	610,297	610,297	553,148	(57,149)
EXPENDITURES:				
Public works	516,965	516,965	461,479	55,486
Total expenditures	516,965	516,965	461,479	55,486
REVENUES OVER (UNDER) EXPENDITURES	93,332	93,332	91,669	(1,663)
Net change in fund balance	93,332	93,332	91,669	(1,663)
FUND BALANCE:				
Beginning of year	14,432	14,432	14,432	-
End of year	$ 107,764	$ 107,764	$ 106,101	$ (1,663)

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Landscape and Lighting Assessment Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes other than property	$ 781,000	$ 781,000	$ 784,974	$ 3,974
Intergovernmental revenues	10,500	10,500	11,199	699
Other revenues	-	-	2,826	2,826
Total revenues	791,500	791,500	798,999	7,499
EXPENDITURES:				
Public works	723,579	723,579	645,123	78,456
Recreation	103,800	103,800	95,422	8,378
Total expenditures	827,379	827,379	740,545	86,834
REVENUES OVER (UNDER) EXPENDITURES	(35,879)	(35,879)	58,454	94,333
Net change in fund balance	(35,879)	(35,879)	58,454	94,333
FUND BALANCE:				
Beginning of year	75,174	75,174	75,174	-
End of year	$ 39,295	$ 39,295	$ 133,628	$ 94,333

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Measure A Parcel Tax Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Recreation	-	-	5,347	(5,347)
Capital outlay	298,740	298,740	-	298,740
Total expenditures	298,740	298,740	5,347	293,393
REVENUES OVER (UNDER) EXPENDITURES	(298,740)	(298,740)	(5,347)	293,393
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(187,014)	(187,014)	(187,014)	-
Total other financing sources (uses)	(187,014)	(187,014)	(187,014)	-
Net change in fund balance	(485,754)	(485,754)	(192,361)	293,393
FUND BALANCE:				
Beginning of year	516,106	516,106	516,106	-
End of year	$ 30,352	$ 30,352	$ 323,745	$ 293,393

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

National Pollution Discharge Elimination System Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 330,074	$ 330,074	$ 316,072	$ (14,002)
Total revenues	330,074	330,074	316,072	(14,002)
EXPENDITURES:				
Public works	404,808	404,808	326,186	78,622
Total expenditures	404,808	404,808	326,186	78,622
Net change in fund balance	(74,734)	(74,734)	(10,114)	64,620
FUND BALANCE:				
Beginning of year	216,055	216,055	216,055	-
End of year	$ 141,321	$ 141,321	$ 205,941	$ 64,620

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Asset Seizure Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES:				
General Government:				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
FUND BALANCE:				
Beginning of year	309,263	309,263	309,263	-
End of year	$ 309,263	$ 309,263	$ 309,263	$ -

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Vehicle Abatement Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 30,000	$ 30,000	$ 11,174	$ (18,826)
Total revenues	30,000	30,000	11,174	(18,826)
EXPENDITURES:				
General Government:				
Total expenditures	-	-	-	-
Net change in fund balance	30,000	30,000	11,174	(18,826)
FUND BALANCE:				
Beginning of year	393,867	393,867	393,867	-
End of year	$ 423,867	$ 423,867	$ 405,041	$ (18,826)

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Park In Lieu Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other revenues	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Net change in fund balance	-	-	-	-
FUND BALANCE:				
Beginning of year	2	2	2	-
End of year	$ 2	$ 2	$ 2	$ -

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Public Art Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ -	$ -	$ 784	$ 784
Total revenues	-	-	784	784
EXPENDITURES:				
General Government:				
Community development	100,000	100,000	10,926	89,074
Total expenditures	100,000	100,000	10,926	89,074
Net change in fund balance	(100,000)	(100,000)	(10,142)	89,858
FUND BALANCE:				
Beginning of year, as restated	164,980	164,980	164,980	-
End of year	$ 64,980	$ 64,980	$ 154,838	$ 89,858

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Road Repair and Accountability

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 437,555	$ 437,555	$ 462,592	$ 25,037
Total revenues	437,555	437,555	462,682	25,127
EXPENDITURES:				
Public works	159,020	159,020	133,760	25,260
Capital outlay	455,000	466,680	44,051	422,629
Total expenditures	614,020	625,700	177,811	447,889
REVENUES OVER (UNDER) EXPENDITURES	(176,465)	(188,145)	284,871	473,016
OTHER FINANCING SOURCES (USES):				
Net change in fund balance	(176,465)	(188,145)	284,871	473,016
FUND BALANCE:				
Beginning of year	481,605	481,605	481,605	-
End of year	$ 305,140	$ 293,460	$ 766,476	$ 473,016

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Measure J Paratransit

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes other than property	$ 112,500	$ 112,500	$ 169,366	$ 56,866
Charges for services	4,000	4,000	6,485	2,485
Total revenues	116,500	116,500	175,851	59,351
EXPENDITURES:				
Public works	-	-	-	-
Recreation	106,939	106,939	67,442	39,497
Debt service:				
Principal	-	-	27,298	(27,298)
Interest and fiscal charges	-	-	3,776	(3,776)
Total expenditures	106,939	106,939	98,516	8,423
Net change in fund balance	9,561	9,561	77,335	67,774
FUND BALANCE:				
Beginning of year	157,965	157,965	157,965	-
End of year	$ 167,526	$ 167,526	$ 235,300	$ 67,774

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

City Housing Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Other revenues	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Net change in fund balance	-	-	-	-
FUND BALANCE:				
Beginning of year	2,835,000	2,835,000	2,835,000	-
End of year	$ 2,835,000	$ 2,835,000	$ 2,835,000	$ -

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Measure H Parcel Tax Parks & Recreation Facilities Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes other than property	$ 632,891	$ 632,891	$ 636,948	$ 4,057
Total revenues	632,891	632,891	636,948	4,057
EXPENDITURES:				
Public works	$ 582,891	$ 582,891	$ 445,628	$ 137,263
Total expenditures	582,891	582,891	445,628	137,263
REVENUES OVER (UNDER) EXPENDITURES	50,000	50,000	191,320	141,320
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	(50,000)	(50,000)	(50,000)	-
Net change in fund balance	-	-	141,320	141,320
FUND BALANCE:				
Beginning of year	(513)	(513)	(513)	-
End of year	$ (513)	$ (513)	$ 140,807	$ 141,320

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Public Financing Authority Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Use of money and property	$ 151	$ 151	$ 51	$ (100)
Total revenues	151	151	51	(100)
EXPENDITURES:				
Debt service:				
Principal	1,005,164	1,005,164	820,200	184,964
Interest and fiscal charges	468,763	468,763	653,727	(184,964)
Bond issuance	150	150	-	150
Total expenditures	1,474,077	1,474,077	1,473,927	150
REVENUES OVER (UNDER) EXPENDITURES	(1,473,926)	(1,473,926)	(1,473,876)	50
OTHER FINANCING SOURCES (USES):				
Transfers in	1,473,926	1,473,926	1,473,926	-
Total other financing sources (uses)	1,473,926	1,473,926	1,473,926	-
Net change in fund balance	-	-	50	50
FUND BALANCE:				
Beginning of year	203,550	203,550	203,550	-
End of year	$ 203,550	$ 203,550	$ 203,600	$ 50

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Capital Improvement Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 1,963,500	$ 1,963,500	$ 993,764	$ (969,736)
Charges for services	-	-	-	-
Other revenues	235,000	235,000	47,821	(187,179)
Total revenues	2,198,500	2,198,500	1,041,585	(1,156,915)
EXPENDITURES:				
Public works	-	-	20,337	(20,337)
Capital outlay	2,464,911	2,957,098	948,480	2,008,618
Total expenditures	2,464,911	2,957,098	968,817	1,988,281
REVENUES OVER (UNDER) EXPENDITURES	(266,411)	(758,598)	72,768	831,366
OTHER FINANCING SOURCES (USES):				
Transfers in	20,000	20,000	20,000	-
Total other financing sources (uses)	20,000	20,000	20,000	-
Net change in fund balance	(246,411)	(738,598)	92,768	831,366
FUND BALANCE:				
Beginning of year	383,964	383,964	383,964	-
End of year	$ 137,553	$ (354,634)	$ 476,732	$ 831,366

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Storm Drain Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes other than property	$ 702,000	$ 702,000	$ 706,322	$ 4,322
Total revenues	702,000	702,000	706,322	4,322
EXPENDITURES:				
Public works	470,527	470,527	429,894	40,633
Capital outlay	200,000	200,000	427,823	(227,823)
Total expenditures	670,527	670,527	857,717	(187,190)
Net change in fund balance	31,473	31,473	(151,395)	(182,868)
FUND BALANCE:				
Beginning of year	773,918	773,918	773,918	-
End of year	$ 805,391	$ 805,391	$ 622,523	$ (182,868)

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Measure J Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes other than property	$ 384,200	$ 384,200	$ 491,221	$ 107,021
Other revenues	-	-	18,867	18,867
Total revenues	384,200	384,200	510,088	125,888
EXPENDITURES:				
Public works	364,076	364,076	321,994	42,082
Total expenditures	364,076	364,076	321,994	42,082
REVENUES OVER (UNDER) EXPENDITURES	20,124	20,124	188,094	167,970
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(20,000)	(20,000)	(20,000)	-
Total other financing sources (uses)	(20,000)	(20,000)	(20,000)	-
Net change in fund balance	124	124	168,094	167,970
FUND BALANCE:				
Beginning of year	109,358	109,358	109,358	-
End of year	$ 109,482	$ 109,482	$ 277,452	$ 167,970

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Street Improvement Fund

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes other than property	$ 1,444,721	$ 1,444,721	$ 1,881,749	$ 437,028
Other revenues	5,000	5,000	8,066	3,066
Total revenues	1,449,721	1,449,721	1,889,815	440,094
EXPENDITURES:				
General Government:				
Financial services	1,500	1,500	1,225	275
Public works	110,203	110,203	100,191	10,012
Capital outlay	962,190	935,000	205,699	729,301
Total expenditures	1,073,893	1,046,703	307,115	739,588
REVENUES OVER (UNDER) EXPENDITURES	375,828	403,018	1,582,700	1,179,682
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(706,300)	(706,300)	(706,300)	-
Total other financing sources (uses)	(706,300)	(706,300)	(706,300)	-
Net change in fund balance	(330,472)	(303,282)	876,400	1,179,682
FUND BALANCE:				
Beginning of year	1,248,383	1,248,383	1,248,383	-
End of year	$ 917,911	$ 945,101	$ 2,124,783	$ 1,179,682

STATISTICAL SECTION

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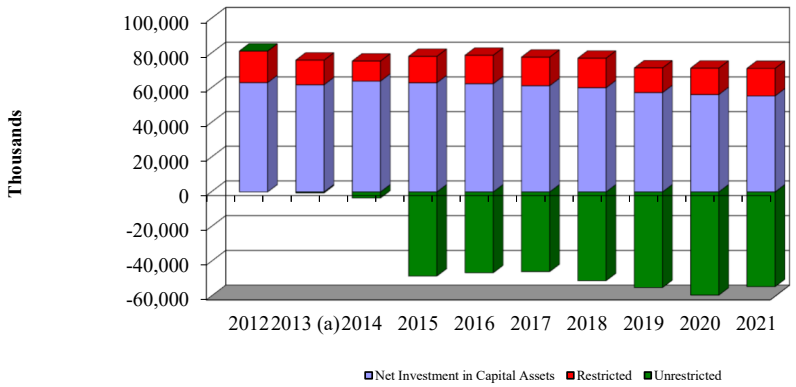
CITY OF EL CERRITO
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)



	Fiscal Year Ended June 30,									
	2012	2013 (a)	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	$62,188,857	$61,539,065	$63,535,927	$62,485,398	$61,687,197	$60,263,647	$58,942,988	$55,950,869	$54,638,042	$53,652,456
Restricted	18,127,376	14,185,459	11,556,030	15,211,282	16,401,240	16,468,323	17,041,501	14,225,506	15,240,589	15,859,381
Unrestricted	(136,900)	(1,090,092)	(3,744,215)	(48,590,298)	(46,508,497)	(45,697,093)	(50,908,159)	(54,698,365)	(59,443,810)	(55,481,269)
Total governmental activities net position	$80,179,333	$74,634,432	$71,347,742	$29,106,382	$31,579,940	$31,034,877	$25,076,330	$15,478,010	$10,434,821	$14,030,568
Business-type activities										
Net investment in capital assets	$828,754	$227,097	$328,697	$440,669	$674,225	$950,099	$1,106,285	$1,287,089	$1,477,133	$1,679,420
Unrestricted	201,464	579,719	288,935	247,155	72,217	(84,655)	(91,433)	(237,733)	152,426	1,079,923
Total business-type activities net position	$1,030,218	$806,816	$617,632	$687,824	$746,442	$865,444	$1,014,852	$1,049,356	$1,629,559	$2,759,343
Primary government										
Net investment in capital assets	$63,017,611	$61,766,162	$63,864,624	$62,926,067	$62,361,422	$61,213,746	$60,049,273	$57,237,958	$56,115,175	$55,331,876
Restricted	18,127,376	14,185,459	11,556,030	15,211,282	16,401,240	16,468,323	17,041,501	14,225,506	15,240,589	15,859,381
Unrestricted	64,564	(510,373)	(3,455,280)	(48,343,143)	(46,436,280)	(45,781,748)	(50,999,592)	(54,936,098)	(59,291,384)	(54,401,346)
Total primary government net position	$81,209,551	$75,441,248	$71,965,374	$29,794,206	$32,326,382	$31,900,321	$26,091,182	$16,527,366	$12,064,380	$16,789,911

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

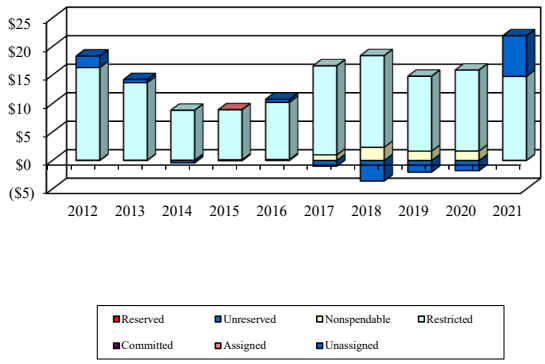
CITY OF EL CERRITO
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,		
	2012	**2013 (a)**	**2014**
Expenses			
Governmental Activities:			
General Government	$4,376,139	$4,236,098	$5,637,571
Public Works	6,185,638	8,433,345	5,444,248
Recreation	4,504,817	4,412,698	4,597,225
Community Development	2,910,097	4,280,475	6,121,329
Public Safety	18,207,775	18,847,110	18,767,955
Interest on Long Term Debt	1,548,739	1,051,397	904,001
Total Governmental Activities Expenses	37,733,205	41,261,123	41,472,329
Business-Type Activities:			
Integrated waste management	1,674,248	1,792,975	1,954,155
Total Business-Type Activities Expenses	1,674,248	1,792,975	1,954,155
Total Primary Government Expenses	$39,407,453	$43,054,098	$43,426,484
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	$606,107	$559,106	$106,677
Public Works	965,700	968,330	976,032
Recreation	2,924,662	2,973,708	3,221,674
Community Development	1,082,721	1,199,576	1,731,668
Public Safety	2,695,059	3,330,984	2,880,896
Operating Grants and Contributions	4,514,164	2,703,823	3,067,489
Capital Grants and Contributions	2,193,073	3,153,161	3,637,043
Total Government Activities Program Revenues	14,981,486	14,888,688	15,621,479
Business-Type Activities:			
Charges for Services:			
Integrated waste management	1,861,538	1,854,839	2,071,820
Operating Grants and Contributions	6,654	26,348	20,522
Total Business-Type Activities Program Revenue	1,868,192	1,881,187	2,092,342
Total Primary Government Program Revenues	$16,849,678	$16,769,875	$17,713,821
Net (Expense)/Revenue			
Governmental Activities	(22,751,719)	(26,372,435)	($25,850,850)
Business-Type Activities	193,944	88,212	138,187
Total Primary Government Net Expense	($22,557,775)	($26,284,223)	($25,712,663)
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Taxes:			
Property Taxes	$11,309,400	$8,336,665	$9,024,435
Sales Taxes	6,309,362	5,986,934	6,554,589
Transient Lodging Taxes	98,411	103,446	130,556
Franchise Taxes	1,020,930	1,065,858	1,228,307
Business License Taxes	691,948	660,931	768,448
Utility User Taxes	3,163,978	3,066,580	3,137,017
Real Property County Transfer Tax			
Other Taxes	98,028	107,795	129,774
Use of money and property	419,127	349,963	207,475
Other	1,181,320	1,042,753	1,056,188
Transfers	302,184	313,086	327,371
Gain on extinguishment of debt	649,406		
Extraordinary item	22,432,286		
Special item			
Total Government Activities	47,676,380	21,034,011	22,564,160
Business-Type Activities:			
Use of money and property	529	1,472	
Transfers	(302,184)	(313,086)	(327,371)
Total Business-Type Activities	(301,655)	(311,614)	(327,371)
Total Primary Government	$47,374,725	$20,722,397	$22,236,789
Change in Net Position			
Governmental Activities	$24,924,661	($5,338,424)	($3,286,690)
Business-Type Activities	(107,711)	(223,402)	(189,184)
Total Primary Government	$24,816,950	($5,561,826)	($3,475,874)

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

Fiscal Year Ended June 30,						
2015	2016	2017	2018	2019	2020	2021
$4,218,763	$4,791,816	$5,138,555	$5,758,535	$6,723,883	$6,853,922	$ 5,811,523
5,576,671	5,276,434	7,296,766	8,956,800	8,800,985	8,041,340	7,677,819
4,629,731	4,838,539	5,335,946	6,319,879	6,852,784	6,579,645	4,691,509
2,208,566	2,094,643	2,867,664	2,877,501	2,683,918	2,881,181	3,452,703
18,924,124	18,620,431	20,310,165	24,291,518	26,250,994	26,853,126	26,208,413
880,173	845,437	982,440	852,986	837,272	844,041	879,070
36,438,028	36,467,300	41,931,536	49,057,219	52,149,836	52,053,255	48,721,037
1,787,896	1,940,519	2,376,867	2,420,952	2,606,192	2,793,637	2,662,806
1,787,896	1,940,519	2,376,867	2,420,952	2,606,192	2,793,637	2,662,806
$38,225,924	$38,407,819	$44,308,403	$51,478,171	$54,756,028	$54,846,892	$51,383,843
$109,345	$137,038	$1,096,168	$1,116,938	$983,618	$947,409	$1,037,096
987,537	514,039	331,297	433,727	453,911	317,062	410,676
3,285,398	3,112,985	3,611,541	3,785,511	4,385,622	3,108,433	2,142,292
1,132,299	1,439,678	1,848,830	1,813,313	1,917,141	1,841,512	1,756,009
2,793,410	2,819,113	3,048,763	3,504,858	3,437,116	3,522,587	3,746,725
2,762,749	2,496,255	1,942,080	2,410,442	3,534,462	2,329,117	5,632,909
3,677,475	1,573,560	2,039,912	3,013,832	5,093,007	2,767,468	3,317,784
14,748,213	12,092,668	13,918,591	16,078,621	19,804,877	14,833,588	18,043,491
2,203,157	2,318,342	2,366,205	2,555,397	2,581,473	3,337,310	3,779,477
1,250	37,213	25,683	24,634	62,894	40,201	16,784
2,204,407	2,355,555	2,391,888	2,580,031	2,644,367	3,377,511	3,796,261
$16,952,620	$14,448,223	$16,310,479	$18,658,652	$22,449,244	$18,211,099	$21,839,752
($21,689,815)	($24,374,632)	($28,012,945)	($32,978,598)	($32,344,959)	($37,219,667)	($30,677,546)
416,511	415,036	15,021	159,079	38,175	583,874	1,133,455
($21,273,304)	($23,959,596)	($27,997,924)	($32,819,519)	($32,306,784)	($36,635,793)	($29,544,091)
$9,927,028	$11,211,539	$12,770,037	$13,360,216	$14,242,520	$14,381,441	$15,213,912
6,408,016	7,234,366	7,477,393	8,215,732	8,318,511	8,134,818	9,708,892
114,712	139,084	134,171	145,489	147,550	118,891	126,164
1,376,771	1,453,351	1,375,048	1,279,037	1,244,897	1,637,666	1,364,257
722,130	787,122	775,413	846,900	910,104	918,799	924,358
3,106,232	3,291,255	3,360,277	2,965,675	3,207,892	3,165,974	3,444,484
				1,102,563	3,467,532	4,419,107
144,539	180,447	154,863	147,623	1,935	2,811	213,044
264,318	144,768	121,840	263,057	291,016	323,025	176,593
1,283,914	2,495,863	359,484	37,207	49,556	21,850	
346,319	356,418	9,671	9,671	3,671	3,671	3,671
				(6,773,576)		(1,321,189)
23,693,979	27,294,213	26,538,197	27,270,607	22,746,639	32,176,478	34,273,293
(346,319)	(356,418)	(9,671)	(9,671)	(3,671)	(3,671)	(3,671)
(346,319)	(356,418)	(9,671)	(9,671)	(3,671)	(3,671)	(3,671)
$23,347,660	$26,937,795	$26,528,526	$27,260,936	$22,742,968	$32,172,807	$34,269,622
$2,004,164	$2,919,581	($1,474,748)	($5,707,991)	($9,598,320)	($5,043,189)	$3,595,747
70,192	58,618	5,350	149,408	34,504	580,203	1,129,784
$2,074,356	$2,978,199	($1,469,398)	($5,558,583)	($9,563,816)	($4,462,986)	$4,725,531

CITY OF EL CERRITO
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
General Fund											
Reserved											
Unreserved											
Nonspendable	$44,373	$48,049	$58,326	$128,242	$170,353	$994,742	$2,321,077	$1,650,928	$1,667,511	$25,694	
Restricted	598,957	1,055,758	150,445	10,170	10,187	10,205					
Assigned			53,108								
Unassigned	2,646,012	1,237,431	1,008,587	1,323,100	1,713,302	(186,227)	(2,233,507)	(1,707,620)	(1,777,532)	7,117,568	
Total General Fund	$3,289,342	$2,341,238	$1,270,466	$1,461,512	$1,893,842	$818,720	$87,570	($56,692)	($110,021)	$7,143,262	(a)
All Other Governmental Funds											
Reserved											
Unreserved, reported in:											
Special revenue funds											
Capital project funds											
Nonspendable									$1,087		
Restricted	$15,673,702	$12,543,820	$8,605,973	$8,778,625	$10,017,073	$15,608,545	$16,077,928	$13,130,770	$14,198,963	$14,735,254	
Unassigned	(632,179)	(676,189)	(1,420,894)	(1,357,264)	(1,157,537)	(802,928)	(1,368,372)	(322,255)	(513)		
Total all other governmental funds	$15,041,523	$11,867,631	$7,185,079	$7,421,361	$8,859,536	$14,805,617	$14,709,556	$12,808,515	$14,199,537	$14,735,254	

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.
(b) The City implemented the provisions of GASB Statement 54 in fiscal year 2011.

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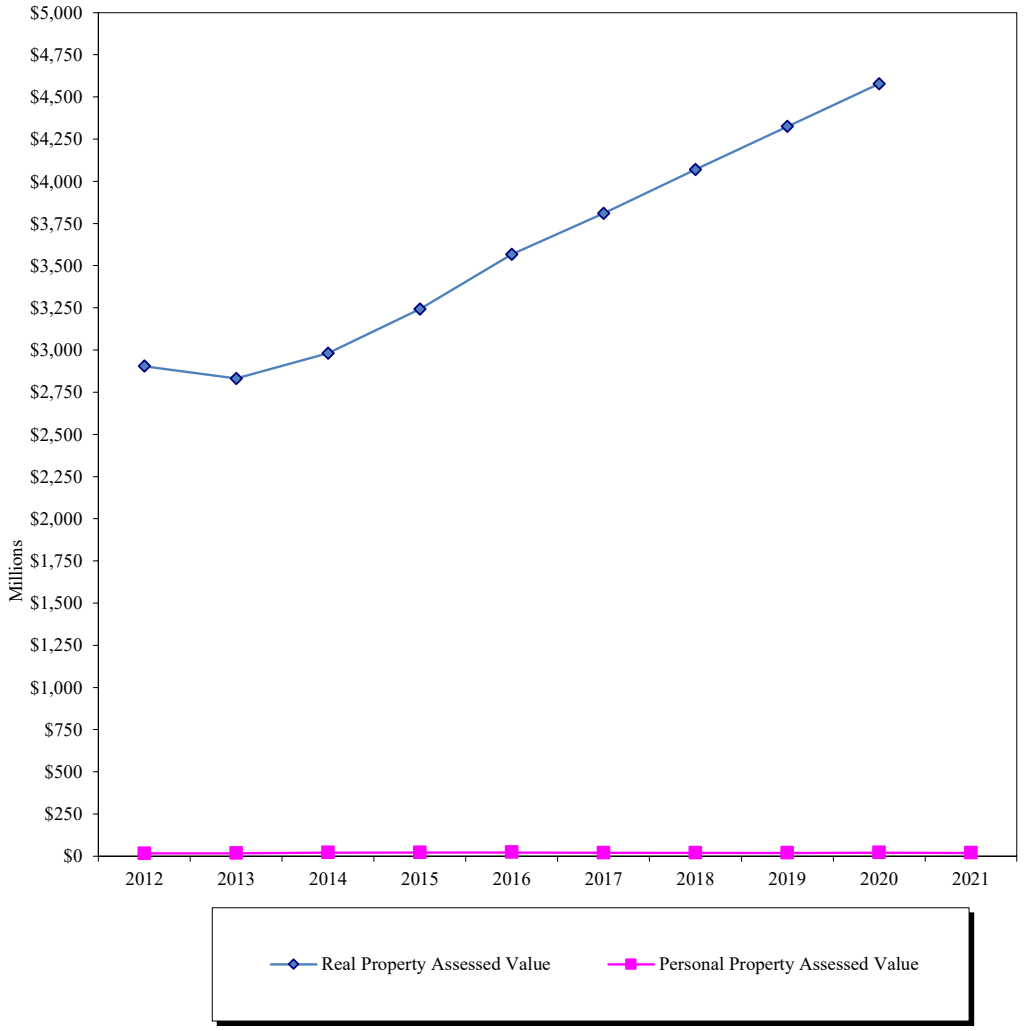
CITY OF EL CERRITO
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2012	2013	2014
Revenues			
Taxes and assessments	$24,110,739	$20,834,072	$22,540,639
Intergovernmental revenues	6,176,489	8,889,058	7,950,134
Use of money and property	380,414	473,093	387,375
Licenses and permits	518,276	516,704	539,567
Charges for services	4,443,270	4,464,986	4,797,980
Fines and Penalties	215,336	288,781	388,365
Other revenues	2,894,000	474,160	212,822
Total Revenues	38,738,524	35,940,854	36,816,882
Expenditures			
Current:			
General Government	3,707,012	3,771,911	3,979,356
Public Works	3,372,882	5,614,913	2,617,605
Public Safety	17,826,518	18,343,774	18,154,272
Community Development	2,317,779	2,881,192	3,404,976
Recreation	4,168,182	4,128,702	4,230,866
Other Expense	507,493		
Estimated reduction in value of land held for redevelopment		1,256,376	3,083,749
Payment of sales tax to City of Richmond			253,720
Capital outlay	2,167,284	3,566,405	4,867,159
Debt service:			
Principal repayment	3,150,000	3,711,088	1,400,710
Interest and fiscal charges	1,993,445	1,001,529	905,164
Cost of issuance			
Total Expenditures	39,210,595	44,275,890	42,897,577
Excess (deficiency) of revenues over (under) expenditures	(472,071)	(8,335,036)	(6,080,695)
Other Financing Sources (Uses)			
Transfers in	12,161,506	5,594,636	5,216,550
Transfers (out)	(11,586,322)	(5,286,919)	(4,889,179)
Issuance of debt	1,026,800	4,111,800	
Proceeds from sale of assets			
Land Sale Proceeds to the Contra Costa County			
Gain/(Loss) on sale of land held for resale			
Payment to escrow agent	83,202		
Capital lease financing			
Bond premium			
Total other financing sources (uses)	1,685,186	4,419,517	327,371
Extraordinary Items			
Assets transferred to Housing Successor		5,613,091	
Assets transferred to/liabilities assumed by Successor Agency		(4,396,265)	
Special Items			
Advance to El Cerrito Successor Agency write-off			
Land Sale Proceeds Transfers to Successor Agency Fund			
Proceeds of sale of land from Contra Costa County			
Net change in fund balances	$1,213,115	($2,698,693)	($5,753,324)
Debt service as a percentage of noncapital expenditures	12.5%	13.9%	6.1%

Fiscal Year Ended June 30,						
2015	2016	2017	2018	2019	2020	2021
$23,447,204	$25,956,002	$27,511,526	$23,829,757	$31,367,715	$33,650,613	$36,544,925
9,229,702	6,833,050	4,759,518	4,115,543	9,609,792	6,034,335	10,725,849
450,409	415,534	451,388	373,954	261,611	377,294	206,631
493,244	607,729	719,843	765,706	775,876	784,982	656,881
4,288,002	4,406,143	5,766,594	6,099,394	6,944,795	5,491,613	4,996,957
276,759	326,544	350,855	222,173	232,298	227,463	177,525
189,696	808,134	678,047	377,394	582,815	609,522	243,033
38,375,016	39,353,136	40,237,771	35,783,921	49,774,902	47,175,822	53,551,801
3,738,775	4,363,219	4,928,339	5,248,920	5,949,944	6,005,738	5,185,148
2,656,789	2,748,364	3,831,414	1,673,715	4,639,984	4,492,288	4,334,149
18,461,031	19,327,886	20,277,045	21,261,548	23,379,730	23,513,886	23,805,434
4,622,769	2,387,886	2,778,502	2,405,103	2,531,783	2,600,096	2,641,433
4,352,987	4,685,966	5,067,725	5,183,872	6,037,006	5,686,943	3,995,975
245,599						
2,427,619	2,068,310	1,272,245	276,683	5,033,324	1,815,683	1,652,600
914,158	941,573	1,233,745	98,616	1,075,004	1,161,158	1,010,506
874,280	850,250	921,281	103,732	827,463	841,589	888,569
		522,407				
38,294,007	37,373,454	40,832,703	36,252,189	49,474,238	46,117,381	43,513,814
81,009	1,979,682	(594,932)	(468,268)	300,664	1,058,441	10,037,987
2,688,549	2,592,090	1,194,371	54,583	3,506,366	1,718,961	4,672,166
(2,342,230)	(2,262,534)	(1,211,562)	(317,465)	(3,529,556)	(1,742,152)	(4,668,495)
		15,690,000				
	7,290					
				(3,457,547)		(257,256)
				1,420,347		(371,500)
		(17,384,909)				
				116,121	302,439	
		1,694,909				
346,319	336,846	(17,191)	(262,882)	(1,944,269)	279,248	(625,085)
						(1,321,189)
				(1,202,453)		
				800,755		
$427,328	$2,316,528	($612,123)	($731,150)	($4,082,503)	$1,337,689	$8,091,713
6.1%	5.1%	1.2%	1.3%	4.4%	4.5%	4.8%

CITY OF EL CERRITO
ASSESSED AND ESTIMATED VALUE OF ALL PROPERTY
LAST TEN FISCAL YEARS



Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value (1)	% Change From Prior Year	Total Direct Rate (2)
2012	2,903,974,930	15,980,388	2,919,955,318	-1.4%	1.0%
2013	2,830,819,604	17,791,119	2,848,610,723	-2.4%	1.0%
2014	2,981,044,726	21,417,223	3,002,461,949	5.4%	1.0%
2015	3,242,643,566	21,591,610	3,264,235,176	8.7%	1.0%
2016	3,566,630,684	22,782,122	3,589,412,806	10.0%	1.0%
2017	3,810,090,943	20,431,443	3,830,522,386	6.7%	1.0%
2018	4,070,176,177	19,170,357	4,089,346,534	6.8%	1.0%
2019	4,324,516,299	19,462,999	4,343,979,298	6.2%	1.0%
2020	4,578,246,770	21,498,246	4,599,745,016	5.9%	1.0%
2021	4,884,779,461	19,572,301	4,904,351,762	6.6%	1.0%

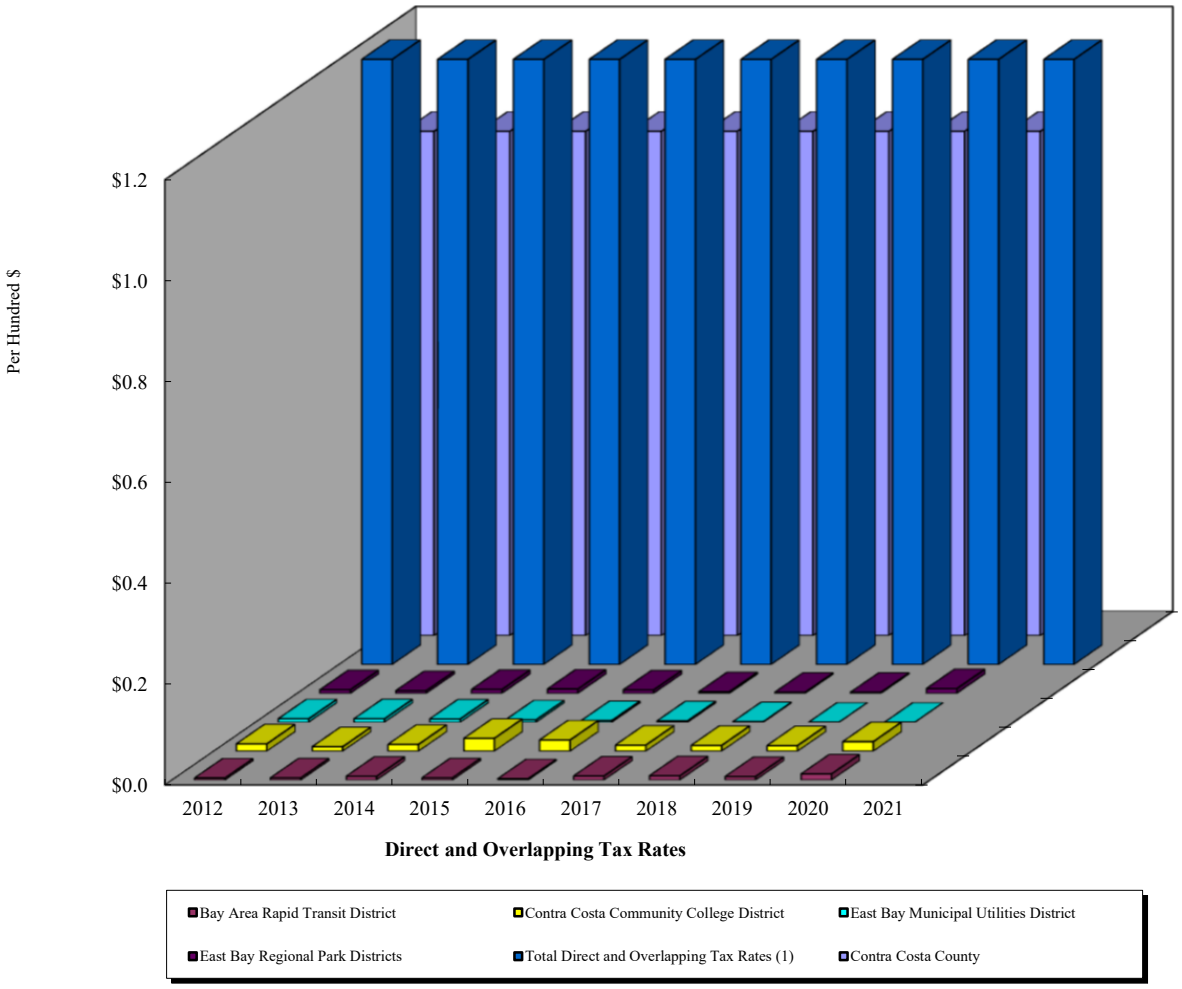
Source: HdL report

Notes:

(1) Amounts are net of exemptions.
Assessed Value is determined based on California Proposition 13, as of January 1.
The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(2) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

CITY OF EL CERRITO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS



Fiscal Year	Contra Costa County	Bay Area Rapid Transit District	Contra Costa Community College District	East Bay Municipal Utilities District	East Bay Regional Park Districts	Richmond Retirement	West Contra Costa Unified School Districts	Total Direct and Overlapping Tax Rates (1)	Total Direct Rate
2012	1.00000	0.00410	0.01440	0.00670	0.00710		0.23220	1.26450	0.35287
2013	1.00000	0.00430	0.00870	0.00680	0.00510		0.21570	1.24060	0.35855
2014	1.00000	0.00750	0.01330	0.00660	0.00780		0.28180	1.31700	0.22289
2015	1.00000	0.00450	0.02520	0.00470	0.00850		0.28030	1.32320	0.22288
2016	1.00000	0.00260	0.02200	0.00340	0.00670		0.27810	1.31280	0.22670
2017	1.00000	0.00800	0.01200	0.00280	0.00320		0.26040	1.28640	0.22642
2018	1.00000	0.00840	0.01140	0.00110	0.00210		0.23970	1.26270	0.22619
2019	1.00000	0.00700	0.01100		0.00210		0.23900	1.25910	0.22601
2020	1.00000	0.01200	0.01880		0.00940		0.23790	1.27810	0.22586
2021	1.00000	0.01390	0.01610		0.00140	0.14000	0.24320	1.41460	0.22562

Source: HdL Report page 8

Notes:

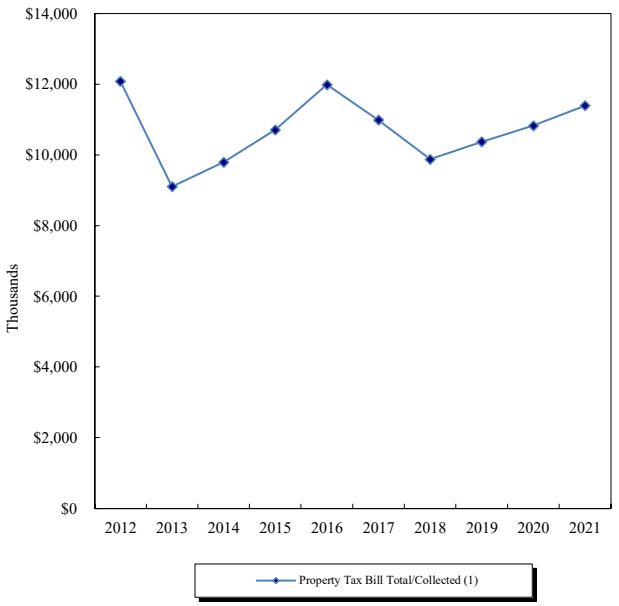
(1) Rates are per $100 of assessed value.

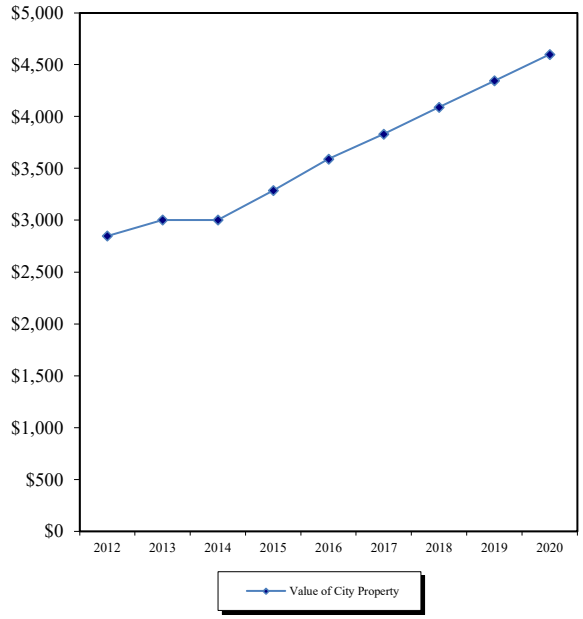
CITY OF EL CERRITO
Principal Property Tax Payers
Current Year and Nine Years Ago

	2020-2021			2011-2012		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
MCD-RCCA El Cerrito LLC	$99,886,097	1	2.04%	$85,265,342	1	2.92%
KMF X El Cerrito LLC	60,097,879	2	1.23%			
Del Norte Place Apartments	50,857,698	3	1.04%			
El Cerrito Shopping Center LLC	47,470,741	4	0.97%			
Creekside Walk Ventures LLC	30,690,852	5	0.63%			
East Bay Sierra School Inc	22,609,144	6	0.46%			
Save Mart (Lucky)	20,490,000	7	0.42%			
PEAK Del Norte LLC	17,711,552	8	0.36%			
Civic Plaza Riley Group LLC	17,539,223	9	0.36%	$14,954,108	4	0.51%
El Cerrito Affordable Housing Partners	13,770,000	10	0.28%			
Village at Town Center LLC				23,459,823	2	
St John Land Partnership				10,006,521	7	0.34%
Lucky FLA NORCAL				18,750,000	3	
MG garden View Apartments				12,167,753	5	0.42%
Safeway				12,043,642	6	0.41%
ECD Associates		N/A				
Pepper Lane SE Square Loop		N/A		7,241,248	9	0.25%
Longs Drug Stores				6,838,178	10	0.23%
Preferred bank		N/A		7,346,908	8	0.25%
Subtotal	$381,123,186		7.77%	$198,073,523		6.78%
Total Net Assessed Valuation: Fiscal Year 2019-2020 & 2010-2011	***$4,904,351,762***			$2,919,955,318		

Source: HdL Report page 6 & 7

CITY OF EL CERRITO
PROPERTY TAX LEVIES AND COLLECTIONS BY FUND TYPE
LAST TEN FISCAL YEARS





Fiscal Year	City Property Tax Levy	RDA Property Tax Increment		Special Assessments	Property Tax Bill Total/Collected (1)	% Change From Prior Year	Value of City Property Subject to Local Tax Rate
2012	7,461,509	2,710,782	(2)	1,908,236	12,080,527	-16.5%	2,848,610,723
2013	7,199,296		(2)	1,908,470	9,107,766	-24.6%	3,002,461,949
2014	7,887,028		(2)	1,908,642	9,795,670	7.6%	3,002,461,949
2015	8,799,514		(2)	1,908,856	10,708,370	9.3%	3,286,691,468
2016	9,843,212		(2)	2,142,122	11,985,334	11.9%	3,589,412,806
2017	8,844,201		(2)	2,141,740	10,985,941	-8.3%	3,830,522,386
2018	7,765,728		(2)	2,110,456	9,876,184	-10.1%	4,089,346,534
2019	8,256,068		(2)	2,112,686	10,368,754	5.0%	4,343,979,298
2020	8,694,410		(2)	2,132,185	10,826,595	4.4%	4,599,745,016
2021	9,263,625			2,128,244	11,391,869	5.2%	4,904,351,762

Source: Contra Costa County Auditor-Controller's Office. Amount are net of collection fees.

Notes: (1) The City receives property tax revenues, and the City's Redevelopment Agency receives incremental property taxes pursuant to an arrangement with the County known as the "Teeter Plan" whereby the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City.

(2) The Redevelopment Agency was dissolved effective January 31, 2012.

CITY OF EL CERRITO
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities							
Fiscal Year	Tax Allocation Bonds	2017 COP Revenue Bonds	Storm Drain Revenue Bonds	Capital Leases	2017 Sales Tax Revenue Bonds	Acquisition/ Developer Notes	Total Governmental Activities	
2012	(b)	11,705,000	1,026,800	887,688	10,810,000	(b)	24,429,488	
2013	(b)	11,321,500	514,500	2,337,160	10,555,000	(b)	24,728,160	
2014	(b)	10,788,700		2,133,692	10,290,000	(b)	23,212,392	
2015	(b)	10,235,400		1,925,719	10,020,000	(b)	22,181,119	
2016	(b)	9,667,200		1,713,138	9,740,000	(b)	21,120,338	
2017	(b)	8,259,900		1,495,838	8,650,000	(b)	18,405,738	
2018	(b)	7,040,000		1,273,713	8,335,000	(b)	16,648,713	(C)
2019	(b)	6,760,000		1,046,649	8,010,000	(b)	15,816,649	(C)
2020	(b)	6,475,000		1,180,596	7,680,000	(b)	15,335,596	(C)
2021	(b)	6,180,000		990,291	7,340,000	(b)	14,510,291	(C)

	Business-Type Activities				
Fiscal Year	Capital Leases	Revenue Refunding Bonds	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2012	4,129,313		28,558,801	5%	1,208
2013	732,805	3,296,100	28,757,065	3%	1,210
2014	625,486	3,067,600	26,905,478	3%	1,125
2015	516,248	2,833,400	25,530,767	3%	1,060
2016	405,057	2,593,600	24,118,995	2%	1,000
2017	291,878	2,347,900	21,045,516	2%	843
2018	176,676	2,647,698	19,473,087	1%	790
2019	59,414	1,838,200	17,714,263	1%	696
2020	405,049	1,573,800	17,314,445	1%	694
2021	330,775	1,309,400	16,150,466	1%	647

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

Sources: City of El Cerrito
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)

(a) See Schedule Demographic Statistics for personal income and population data.
(b) Due to the dissolution of Redevelopment Agencies effective February 1, 2012, the Tax Allocation Bonds and the Acquisition/Developer Notes were transferred to the Successor Agency.
(c) Excluding bond premium/discount

CITY OF EL CERRITO
STATEMENT OF DIRECT AND OVERLAPPING DEBT
June 30, 2021

2020-2021 Assessed Valuation:	4,904,351,762
Less Incremental Valuation:	(870,615,063)
Adjusted Assessed Valuation:	4,033,736,699

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	GROSS BONDED DEBT BALANCE	Percentage Applicable to City (2)	Debt 6/30/21 Amount Applicable to City of El Cerrito
OVERLAPPING TAX AND ASSESSMENT DEBT:			
COUNTY GENERAL PENSION OBLIGATION	44,925,000	2.166	973,164
CCC PFA 1998	6,435,000	2.166	139,395
CCC PFA 1999	6,310,000	2.166	136,687
CCC PFA 2002	4,065,000	2.166	88,056
CCC PFA 2003	3,445,000	2.166	74,625
CCC PFA 2007	61,030,000	2.166	1,322,029
CCC PFA 2009	6,407,008	2.166	138,788
CCC PFA 2010 A-2	11,995,000	2.166	259,835
CCC PFA 2010A -3	20,700,000	2.166	448,403
CCC PFA 2010 B	6,055,000	2.166	131,163
CCC PFA 2012	6,212,865	2.166	134,583
CCC PFA 2015	37,900,000	2.166	820,988
CCC PFA 2017 A	42,320,000	2.166	916,734
CCC PFA 2017 B	76,930,000	2.166	1,666,455
BART BONDS	328,172,932	2.166	7,108,869
EAST BAY REGIONAL PARK 2008 BOND REFUNDING	125,395,149	2.166	2,716,305
WEST CONTRA COSTA UNIFILED 1998 BOND	7,635,000	13.891	1,060,592
WEST CONTRA COSTA UNIFILED 2000 BOND	187,485,000	13.891	26,043,881
WEST CONTRA COSTA UNIFILED 2002 BOND	355,765,521	13.891	49,420,033
WEST CONTRA COSTA UNIFILED 2005 BOND	462,932,481	13.891	64,306,790
WEST CONTRA COSTA UNIFILED 2010 BOND	444,490,000	13.891	61,744,911
WEST CONTRA COSTA UNIFILED 2012 BOND	393,250,000	13.891	54,627,070
Wccusd 2020 Bonds	75,000,000	13.891	10,418,386
CONTRA COSTA COMMUNITY COLLEGE 2002 BOND	311,230,151	2.137	6,764,491
CONTRA COSTA COMMUNITY COLLEGE 2006 BOND	354,509,849	2.137	7,705,162
CONTRA COSTA COMMUNITY COLLEGE 2014 BOND	274,130,000	2.137	5,958,131
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			305,125,525
DIRECT DEBT:			
Outstanding Tax Override Debt		100.000%	7,400,000
City of El Cerrito City Hall Lease Revenue Bonds		100.000%	6,200,000
Master Equipment Leases		100.000%	960,000
TOTAL DIRECT DEBT:			14,560,000
GROSS COMBINED TOTAL DEBT			$319,685,525 (1)

Ratios to 2018-2019 Assessed Valuation:	
Direct Debt	0.36%
Total Gross Overlapping Tax and Assessment Debt	7.56%
Total Overlapping Tax and Assessment Debt	7.93%

Notes:

(1) This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation.

(2) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF EL CERRITO
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2020

ASSESSED VALUATION:		
Secured property assessed value, net of exempt real property	$4,904,351,762	
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)		$735,652,764
AMOUNT OF DEBT SUBJECT TO LIMIT:		
Total Bonded Debt	$16,162,564 (b)	
Less Tax Allocation Bonds and Revenue Bonds, Capital Leases and Notes Payable not subject to limit	16,162,564	
Amount of debt subject to limit		
LEGAL BONDED DEBT MARGIN		$735,652,764

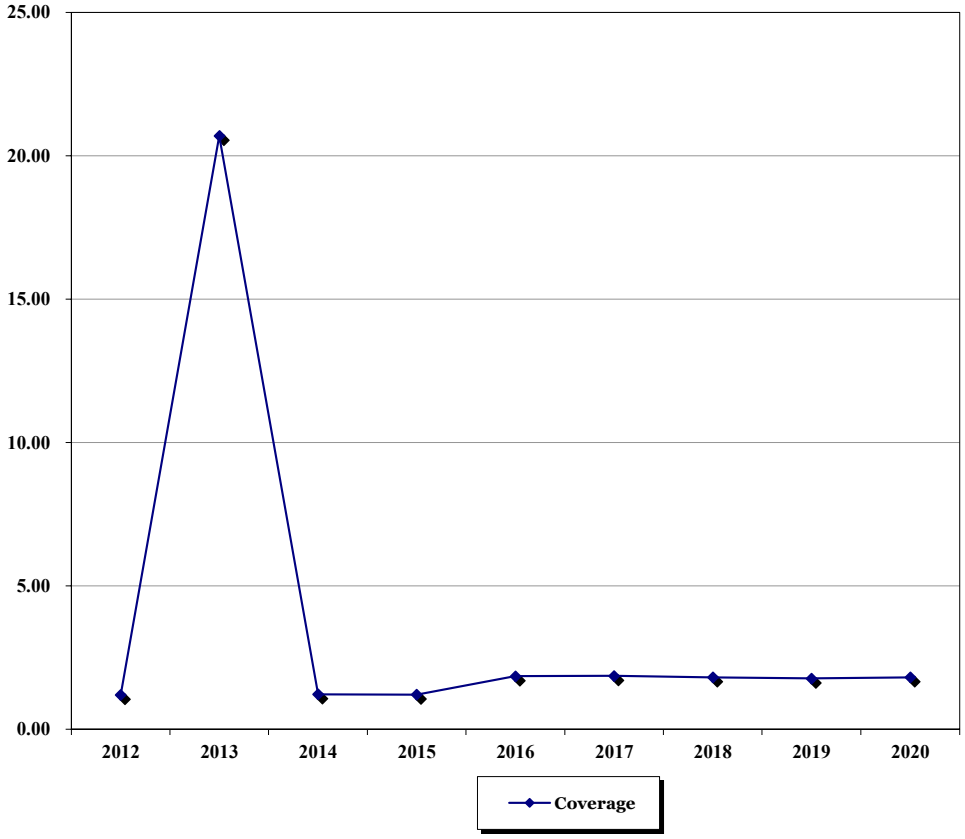
Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2012	437,993,298		437,993,298	
2013	427,291,608		427,291,608	
2014	450,369,292		450,369,292	
2015	493,003,720		493,003,720	
2016	538,411,921		538,411,921	
2017	574,578,358		574,578,358	
2018	613,401,980		613,401,980	
2019	651,596,895		651,596,895	
2020	689,961,752		689,961,752	
2021	735,652,764		735,652,764	

NOTE:

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

(b) CAFR Long term debt schedule Page 62

CITY OF EL CERRITO
REVENUE BOND COVERAGE
2002 LEASE REVENUE BONDS AND 2012 LEASE REVENUE REFUNDING BONDS
LAST TEN FISCAL YEARS



		Debt Service Requirements			
Fiscal Year	Taxes and Assessments (1)	Principal (3)	Interest (3)	Total	Coverage
2012	439,158	245,000	120,055	365,055	1.20
2013	439,268	(2)	21,236 **(2)**	21,236 (2)	20.69
2014	439,477	312,800	46,258	359,058	1.22
2015	439,508	323,300	40,024	363,324	1.21 (2)
2016	668,220	328,200	33,640	361,840	1.85
2017	667,971	332,300	27,167	359,467	1.86
2018	654,469	340,800	20,570	361,370	1.81
2019	633,080	343,500	13,864	357,364	1.77
2020	646,806	350,400	7,064	357,464	1.81
2021	4)	185,200	1,815	187,015	

Notes:

(1) Includes all taxes and assessments from the Measure A Parcel Tax Fund 206
(2) The 2002 Lease Revenue Bonds were refunded and retired by the 2012 Lease Revenue Refunding Bonds during the fiscal year. Retirements exclude the refunded bond principal and interest of $2,685,000 and $65,181, respectively.
(3) Include debt service payment in Fund 834
(4) The debt was paid off in FY2021 with the reserve amount.

Source: City of El Cerrito Annual Financial Statements

CITY OF EL CERRITO
REVENUE BOND COVERAGE
SALES TAX REVENUE BONDS
LAST SEVEN FISCAL YEARS

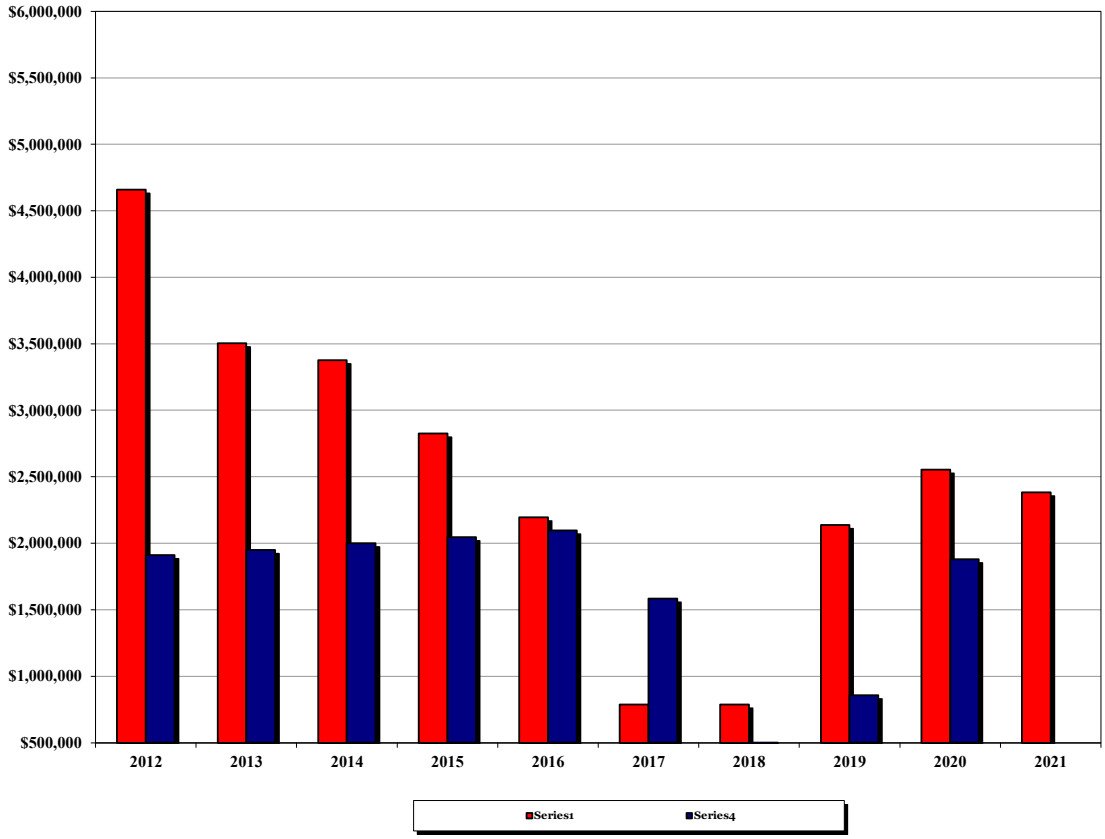
Fiscal Year	Taxes and Assessments [1]	Debt Service Requirements			
		Principal (3)	Interest (3)	Total	Coverage
2012	1,546,542	245,000	492,653	737,653	2.10
2013	1,141,958	255,000	484,078	739,078	1.55
2014	1,453,527	265,000	475,152	740,152	1.96
2015	1,399,734	270,000	466,408	736,408	1.90
2016	1,800,599	280,000	457,228	737,228	2.44
2017	1,428,094	290,000	447,078	737,078	1.94
2018	$1,590,085	$315,000	$385,700 (2)	$700,700	2.27
2019	$1,630,826	$325,000	$379,400	$704,400	2.32
2020	$1,631,894	$330,000	$372,900	$702,900	2.32
2021	$1,881,749	$340,000	$366,300	$706,300	2.66

Notes:

(1) Includes all taxes and assessments from the Street Improvement Fund 211
(2) The 2008 Sales tax revenue bonds were refinanced in FY17. Interest in FY18 is for the 2017 Refinanced Sales tax bonds
(3) Include debt payments from Fund 836

Source: City of El Cerrito Annual Financial Statements

CITY OF EL CERRITO
BONDED DEBT PLEDGED REVENUE COVERAGE
TAX ALLOCATION BONDS
LAST TEN FISCAL YEARS



Fiscal Year	Tax Increment Revenue		Debt Service Requirements				Principal		Interest		Total	Coverage
2012	4,660,032	(2)	1,020,000		891,030		1,911,030	2.44				
2013	3,502,901	(3)	1,110,000	(4)	839,248	(4)	1,949,248	1.80				
2014	3,375,902	(3)	1,215,000	(4)	785,844	(4)	2,000,844	1.69				
2015	2,826,462	(3)	1,315,000	(4)	730,820	(4)	2,045,820	1.38				
2016	2,195,420	(3)	1,425,000	(4)	670,676	(4)	2,095,676	1.05				
2017	788,216	(3)	1,530,000	(4)	52,705	(4)	1,582,705	0.50				
2018	788,216	(5)	-		-		-	NA				
2019	2,138,127				856,583.85		856,583.85	2.50				
2020	2,554,468		1,559,000		321,351		1,880,351	1.36				
2021	2,382,794		1,791,984		268,640		2,060,624	1.16				

Source: City of El Cerrito Annual Financial Statements

Notes: (1) Includes the 1997, 1998 and 2004 Tax Allocation Bonds
(2) Due to the dissolution of the Redevelopment Agency effective February 1, 2012, the Tax Allocation Bonds were transferred to the Successor Agency and tax increment revenue reported in this schedule includes both tax increment collected by the Redevelopment Agency and property taxes collected by the Successor Agency.
(3) Includes property taxes collected by the Successor Agency Fund 780
(4) Debt service is paid by the Successor Agency.
(5) All the tax allocation bonds were refinanced in FY2017, and there is no debt service requirement for them in FY18

CITY OF EL CERRITO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar Year	City Population (1)	Total Personal Income (2)	Median Population Age (1)	Median Household Income (1)	Unemployment Rate (1)	Public School Enrollment (3)	Contra Costa County Population (1)	City Population % of County
2012	23,774	972,380,000	43.7	40,901	9.3%	3,316	1,065,117	2.23%
2013	23,910	1,022,129,000	43.3	42,749	6.3%	3,304	1,079,597	2.21%
2014	24,087	1,018,350,000	44.5	42,278	5.4%	(6)	1,087,008	2.22%
2015	24,115	1,053,560,000	44.4	43,689	5.4%	(6)	1,102,871	2.19%
2016	24,954	1,138,226,802	44.4	45,613	4.4%	(6)	1,126,745	2.21%
2017	24,600	1,113,784,000	43.8	45,275	3.9%	(6)	1,139,429	2.16%
2018	24,646	2,283,944,820	43.6	92,670	4.2%	(6)	1,149,363	2.14%
2019	25,459	2,556,643,698	43.6	100,422	4.2%	(6)	1,155,879	2.20%
2020	24,953	2,505,830,166	43.6	100,422	13.4%	(6)	1,155,879 (4)	2.16%
2021	24,953	2,702,359,994	43.6 (4)	108,298 (5)	4.2%	4,310 (8)	1,159,540 (7)	2.15%

Sources: (1) State Controller's Office RMRA remittance
US Census : https://www.census.gov/quickfacts/elcerritocitycalifornia
Areavibes https://www.areavibes.com/el+cerrito-ca/employment/
Department of Finance Press release

(2) Data not available, therefore it has been calculated by multiplying the City population by the Median Household Income.

(3) West Contra Costa County Unified School District.

(4) Not Available, Same as Last year

(5) https://www.labormarketinfo.edd.ca.gov/serp.html?q=el+cerrito
https://www.areavibes.com/el+cerrito-ca/employment/

(6) Data Not Available

(7) https://worldpopulationreview.com/us-counties/ca/contra-costa-county-population

(8) https://dq.cde.ca.gov/dataquest/dqcensus/EnrEthLevels.aspx?cds=0761796&agglevel=District&year=2020-21
The big increase in public school enrollment is a private school site turned to a summit public charter school

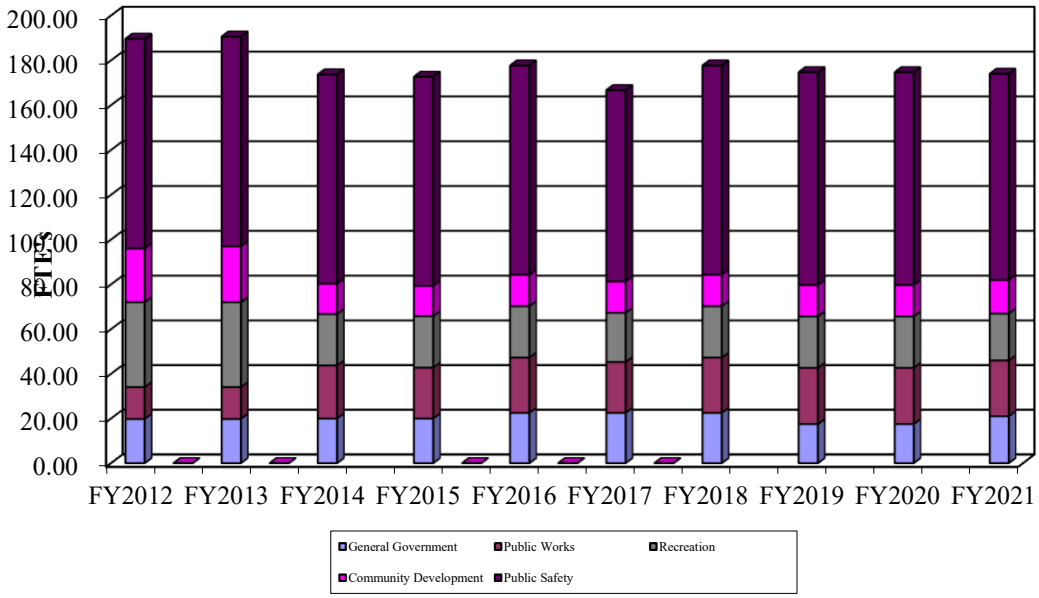
CITY OF EL CERRITO
Principal Employers
Fiscal 2020-2021

Employer
West Contra Costa Unified School District
Home Depot
City of El Cerrito
Honda of El Cerrito
Prospect Sierra School
Fat Apple's Restaurant
Ross Dress for Less
Turnabout Shop
Berkeley Country Club
Shields Nursing Center
Trader Joe's
US Post Office
Romano's Macaroni Grill
Nation's Foods, Inc
El Cerrito Royale

Source: City of El Cerrito

Note: Data from Community Development

CITY OF EL CERRITO
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Function										
General Government	19.80	19.80	20.00	20.00	22.50	22.50	22.50	17.50	17.50	21.00
Public Works	14.25	14.25	23.80	22.80	24.80	22.80	24.80	25.20	25.20	25.00
Recreation	38.00	38.00	23.00	23.00	23.00	22.00	23.00	23.00	23.00	21.00
Community Development	24.00 (a)	25.00 (a)	13.50	13.50 (a)	14.00 (a)	14.00 (a)	14.00	14.00	14.00	15.00
Public Safety	93.55	93.55	93.40	93.40	93.40	85.40	93.40	95.00	95.00	92.00
Total	189.60	190.60	173.70	172.70 (b)	177.70 (b)	166.70 (b)	177.70	174.70	174.70	174.00

Source: City of El Cerrito Amended Budget FY21 page 14
Notes: (a) Includes Environmental Services Division
(b) Amounts prior to 2014 include part time positions. 2014 and onward includes only full-time positions.

CITY OF EL CERRITO
Operating Indicators by Function/ Program
Information as available - Last Ten Fiscal Years

Function/ Program	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-2018	2018-2019	2019-2020	2020-2021
Community Development:										
Planning:										
Number of Permits	103	135	199	122	163	174	187	183	164.00	160.00
Building:										
Permits Issued	1,178	1,572	1,137	1,148	1,164	1,167	1,304	1,263	1,126.00	1,204.00
Annual Inspections	7,483	7,445	8,744	9,272	8,824	8,959	8,715	7,918	8,080.00	6,288.00
Public Safety:										
Fire:										
Number of Responses	2,820	2,973	2,956	3,018	3,326	3,451	3,553	3,516	3,620.00	3,762.00
Police:										
Number of Responses	21,812	24,753	25,160	33,376	23,855	25,834	26,011	26,810	22,962.00	24,886.00
Recreation:										
Recreation Administration/										
Non-Departmental:										
Drop-In Sales	0	0	19	23	412	500				
POS							1,210	477	360	11.00
Childcare Administration:										
Participants	2,011	1,512	1,482	1,510	1,259	1,351	992	896	568	271.00
Aquatics:										
Enrollments	4,525	4,669	5,003	4,636	4,998	5,008	5,815	6,221	4086	615.00
Pass Sales	3,684	3,491	3,719	3,439	4,784	3,706	1,457	2,840	2,069	-
Facility Rentals	154	416	397	445	437	356	247	298	138	-
Drop-In Sales	22,851	26,225	30,922	30,367	31,773	34,826	3,112	27,278	21,603	-
Swim Reservations										48,881.00
Senior Services:										
Enrollments	2,030	1,417	1,806	1,656	1,496	1,339	1,508	2,214	3173	892.00
Facility Rentals	30	17 **	45	20	4	32	1	5	49	-
Drop-In Sales	7,257	20,669 ***	21,993	23,370	22,301	31,209	29,676	24,754	17,914	602.00
Adult/Community Services:										
Enrollments	968	1,180	1,391	1,393	2,006	2,006	1,946	2,472	2,424	574.00
Pass Sales	281	191	210	174	147	147	101	22	42	-
Facility Rentals	2,560	3,856	4,224		2,393	2,393	1,384	1,397	1,484	-
Zumba POS							230	104	21	-
Youth Services:										
Enrollments	5,200	7,163	11,538	7,535	4,653	4,696	4,591	12,161	8,429	650.00

* In fiscal year 2011-12, the Recreation Department implemented a new registration system that records some activities differently than in previous years. The new method will continue in future years.
** Reports each date a person and/or organization has rented an aquatics facility.
*** Now includes daily lunches served at Senior Center (15,458 in FY 13)

Source: City of El Cerrito departments

CITY OF EL CERRITO
Capital Asset Statistics by Function/ Program
Information as available - Last Ten Fiscal Years

Function/ Program	2011-12	2012-13	2013-14	2014-15	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Public Works:										
Miles of streets	68	68	68	68	68	68	68	68	68	68
Street lights	1,606	1,606	1,606	1,606	1,606	1,606	1,614	1,618	1,618	1,618
Traffic signals	11	11	11	11	11	11	12	12	12	12
Culture and Recreation:										
City parks	11	11	11	11	11	11	11	11	11	11
City park acreage	32	32	32	32	32	32	32	32	32	32
Playgrounds	7	7	7	7	7	7	7	7	7	7
City trails	3	3	3	3	3	3	3	3	3	3
City trails-miles	4	4	4	4	4	4	4	4	4	4
Community center	1	1	1	1	1	1	1	1	1	1
Senior center	1	1	1	1	1	1	1	1	1	1
Performing arts center	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis court sites	6	6	6	6	6	6	6	6	6	6
Baseball/softball diamon	4	4	4	4	4	4	4	4	4	4
Library	1	1	1	1	1	1	1	1	1	1
Administration:										
City Hall	1	1	1	1	1	1	1	1	1	1
Recycling Center	1	1	1	1	1	1	1	1	1	1

Source: City of El Cerrito departments

AGENDA BILL

Agenda Item No. 8.B.

Date: March 1, 2022
To: El Cerrito City Council
From: Karen Pinkos, City Manager, City Management
Subject: FY 2021-22 Mid-Year Budget Update

ACTION PROPOSED

Receive an update on City revenues and expenditures for the first six months of the fiscal year through December 31, 2021 and adopt a resolution authorizing amendment to the FY 2021-22 budget and approving new spending limits.

BACKGROUND/ANALYSIS

The City Council adopted the FY 2021-22 Budget on June 22, 2021 by Resolution No. 2021-35. This report will discuss material variances from the adopted budget and recommend mid-year adjustments as needed.

GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCE

REVENUES (Net total change - $2,479,000 increase)

Based on actual revenues to date and estimates for the remaining six months of the fiscal year, staff is proposing the following changes to the General Fund revenue budget for the fiscal year. These adjustments are explained below.

Real Property Transfer Tax (RPTT): **Net change - $800,000 increase.** The FY 2021-22 Adopted Budget projected $3.0 million in RPTT revenue for the fiscal year. Based on actual revenues to date, staff is proposing that the budget be increased by $800,000 to $3.8 million for FY 2021-22.

Charges for Services: **Net Change - $1,183,000 increase.** Recreation, Public Works, and Community Development have all realized increased revenues for charges for services during the fiscal year.

- In Recreation, lap swim and childcare fees have outpaced revenue estimates due to increased participation. While the Recreation Department is trending to be $500,000 over revenue estimates, this request is to increase estimates by $250,000. Considering the volatility of the pandemic, the City wants to be cautious going forward.
- Public Works has seen increased charges for services due to implementation of permit fee increases and an increase in the workload, specifically building and encroachment permit fees.

- Community Development has addressed the backlog of permit applications and continues to see a sharp increase in revenue for building permit and plan check fees, including for some large projects. This will be offset by additional expenditures explained later in the report.

Intergovernmental Revenues: **Net Change - $496,000 increase.**
The Fire Department Revenue increase is due to the reconciliation of the Kensington Fire Protection District contract, additional OES reimbursement, and additional local reimbursements.

EXPENDITURES (Net total change - $2,062,400 increase)
Based on actual expenditures to date, staff is proposing an additional appropriation primarily due to the increased workload of the operational departments. Details of the reasons are included below.

Personnel: **Net Change - $569,500 increase.** Staff is requesting this amount to address the staffing shortages, overtime need, and to address the additional workload in various departments.

- Fire requests $150,000 in additional overtime due to staff vacancies. This request has been reduced by vacancy savings. Fire also requests an additional $200,000 for Office of Emergency Services (OES) response, $100,000 for workers' compensation costs, and $50,000 for one-time payouts.
- Public Works is proposing charging 25% of the Management Analyst position to the General Fund to assist with the workload related to General Fund activities, resulting in a need of $12,500.
- Recreation is requesting to restore a previously eliminated Community Services Coordinator position to address the increased workload of childcare operations and the year-round aquatic facility. This position will add $32,000 to the current year budget and have an estimated annual impact of $100,000.
- Community Development is requesting to add a Senior Program Manager position to address the increased workload of the Department with respect to transportation related projects and programs. This position will add $25,000 to the current year budget and have an estimated annual impact of $120,000.

Professional Services: **Net change - $817,500 increase.**
Staff is requesting this amount primarily for temporary and professional staffing to address workloads. Fire requests $22,500 for OES maintenance of vehicles, which is covered by the OES reimbursement. Public Works requests $75,000 in temporary staffing to address the permit workload and $20,000 for engineering services for the electric vehicle charging station at City Hall. Community Development requests $700,000 in professional staffing services to address the current permit workload. Professional staffing costs are 65% of the permit revenue, which covers this cost.

Property and Capital: **Net change - $155,000 increase.** Staff is requesting this increase to address additional infrastructure and vehicle needs in FY 2022. The Fire Department requests $75,000 to initiate leasing a new fire apparatus. The estimated total cost of the engine is up to $1.3 million that will be spread over the life of the lease, and this funding coupled with a delay in the replacement of the Fire Chief's vehicle that is currently budgeted at $81,000 will be used to secure the order for the truck. Public Works requests an additional $50,000 for the construction to replace the EV charging station at City Hall and $30,000 for infrastructure and vehicle repairs, including repairs to the generator, Public Safety building sewer, and vehicle fleet.

Other Administrative Services: **Net Change - $520,400 increase.** Staff is requesting this increase to address additional insurance premiums and other miscellaneous administrative services. General liability insurance premiums increased $263,000 for FY 2021-22, so this amount covers the increase. There is also a need of $250,000 for administrative services to address the various investigations, legal fees, labor negotiations, and executive recruitment services that were not budgeted in the Human Resources division's budget. There is also an additional need of $5,100 for travel and training expenses for Councilmembers, as the FY 2021-22 Budget included minimal expenses for meetings, including the League of California Cities Annual Conference, because of the assumption that most meetings would be held remotely instead of in person.

GENERAL FUND BALANCE

Based on the updated revenue and expenditure request, the estimated year end FY 2021-22 fund balance will increase by $0.6 million resulting in a projected year end fund balance of $7.7 million, before factoring in the additional ARPA payment of $3.05 million. This includes adding two additional General Fund positions and cost sharing a management analyst position in Public Works.

SPECIAL REVENUE FUNDS AND APPROPRIATIONS

For FY 2021-22, Special Revenue funds represent $14,087,217 the City's total adopted budget of $54,012,096. The proposed amendments to the Special Revenue Funds are partly due to the result of City Council action during the current fiscal year, and partly due to new funding needs for ongoing projects.

- Fund 207 Measure H Park & Rec Facilities: **Net change - $88,000 expenditure increase.**

Staff is requesting additional funds for additional improvements to Arlington Park, Fairmount, and Castro. There is adequate fund balance to address this need.

- Fund 222 C.O.P.S. Grant Fund: **Net change - $0**.

Staff is requested to use the current revenue related to this grant for the purchase of 10 additional mobile data computers and one police cruiser. There is no additional appropriation requested, but due to the requirement of the grant, City Council must approve any changes to the use of funds during the fiscal year.

- Fund 501 Integrated Waste Management: **Net change - $25,000 expenditure increase.**

Public Works is requesting to add an additional recycling driver position to address the increased workload of the department. This position will add $25,000 to the current year budget and have an estimated annual impact of $100,000 in this fund.

STRATEGIC PLAN CONSIDERATIONS

Approving the midyear budget adjustments is consistent with Goal B: Achieving long-term financial sustainability and Goal A: Deliver exemplary government services.

ENVIRONMENTAL CONSIDERATIONS

This section is not applicable to this agenda item.

FINANCIAL CONSIDERATIONS

The City Council annually adopts a resolution that establishes spending limits by fund for each fiscal year. On June 22, 2021, the City Council through Resolution 2021-35 authorized $54,012,096 in total appropriations for FY 2021-22. City Council has also approved budget amendments totaling $1,052,849 year to date (Resolutions 2021-44, 2021-53, 2021-70, 2022-07, and 2021-71). However, additional spending authority is needed to accommodate current operations. For FY 2021-22, staff is proposing amendments which require a change in the spending authority totaling $2,175,400 across all funds, bringing the total appropriations for the year to $57,240,345.

LEGAL CONSIDERATIONS

Approval of the attached resolution is required to amend the City's spending authority for Fiscal Year 2021-22.

Reviewed by:

Alexandra Orologas, Assistant City Manager

Attachments:

1. Resolution

RESOLUTION NO. 2022-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO AMENDING THE SPENDING AUTHORITY BY FUND FOR THE CITY OF EL CERRITO FOR FISCAL YEAR 2021-22

WHEREAS, on June 22, 2021 the City Council of the City of El Cerrito adopted the Fiscal Year 2021-22 Budget with spending limits across funds (Resolution 2021-35); and

WHEREAS, changes to the spending limits throughout the year are necessary to account for unexpected opportunities, unforeseen changes, or if the city's financial position changes and additional spending authority is required to meet the needs of the City; and

WHEREAS, staff presented this update to the City Council of the City of El Cerrito for its consideration and the City Council has reviewed and analyzed it; and

WHEREAS, proposed changes to spending authority from tax proceeds are within the City's Fiscal Year 2021-11 Gann Appropriations Limit as defined by California State Constitution Article XIIB.

NOW THEREFORE, BE IN RESOLVED by the City Council of the City of El Cerrito that it hereby amends the spending authority by fund for fiscal year 2021-22 as follows:

Fund	**101 - General Fund**	$42,352,378.00
Fund	**201 - Gas Tax Fund**	519,694.00
Fund	**202 - Nat'l Pollut Dis Elim Sys**	366,804.00
Fund	**203 - Land & Light Assess Distr**	842,185.00
Fund	**204 - Measure J-Return to Source Fund**	405,887.00
Fund	**205 - Measure J Storm Drain**	786,113.00
Fund	**206 - Measure A Parcel Tax**	217,366.00
Fund	**207 - Measure H Park & Rec Facilities**	724,948.00
Fund	**209 - Vehicle Abatement Fund**	30,900.00
Fund	**211 - Street Improvemt & Maint**	1,634,508.00
Fund	**212 - SB1-Road Repair & Accountability**	649,000.00
Fund	**213 - Public Art Fund**	100,000.00
Fund	**214 - Measure J-Paratransit Fund**	160,492.00
Fund	**221 - Grants**	395,511.00
Fund	**222 - C.O.P.S. Grant Fund**	153,000.00
Fund	**232 - City LMI Housing Fund**	207,528.00
Fund	**301 - Capital Improvement Fund**	2,645,610.00
Fund	**501 - Integrated Waste Mgmt**	3,676,358.00
Fund	**701 - Pension Trust Sect 401-A**	85,000.00
Fund	**835 - City Hall Bond D/S**	580,763.00
Fund	**836 - Street Imp Bond D/S**	706,300.00
		$57,240,345.00

BE IT FURTHER RESOLVED that the City Council of the City of El Cerrito hereby authorizes the City Manager or his/her designee to:

1. Create such appropriations into such new accounts as may be appropriate for proper accounting in the City's financial system and to make any necessary non-material changes to finalize the budget document.
2. Apply correct accounting rules for the proper classification of interfund transactions, including transfers between funds, or other financial transactions as may be necessary to address bond or loan covenants or any other requirements imposed by formal, legal agreements between the City any other parties, as previously entered into by the City.
3. Approve payment of goods and services received by the City in accordance with the City's approved budgets, programs, and policies, subject to a limitation of $45,000 for any single vendor in any one fiscal year, beyond which amount the City Council retains authority to approve payment with the exception of those items falling under other statutory authority (e.g., public works, State purchasing).
4. Shift expenditure authority within funds among departments, as may be necessary to meet the City's operational needs.

BE IT FURTHER RESOLVED that this resolution shall become effective immediately upon passage and adoption.

I CERTIFY that at a regular meeting on March 1, 2022 the City Council of the City of El Cerrito passed this resolution by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on March ____, 2022.

_____
Holly M. Charléty, City Clerk

APPROVED:

_____
Gabe Quinto, Mayor

SUPPLEMENTAL AGENDA MATERIALS

REGULAR CITY COUNCIL MEETING
March 1, 2022
(Revised March 2, 2022)

PUBLIC COMMENT INDEX

1. Public Comments received

Agenda Item 8A – Transmittal and Presentation of FY 2020-21 Annual Comprehensive Financial Report (ACFR)

1. Presentation

Agenda Item 8B – FY 2021-22 Mid-Year Budget Update

1. Presentation

SUPPLEMENTAL AGENDA MATERIALS
PUBLIC COMMENT INDEX

REGULAR CITY COUNCIL MEETING
March 1, 2022
(Revised March 2, 2022)

The following Public Comments were **received by 4:00 p.m. 3/1/2022**, were provided directly to City Councilmembers in advance of the meeting, and were posted online as supplemental materials at www.el-cerrito.org/CouncilMeetingMaterials

Public Comments – Items Not on the Agenda

1. Maureen Morrison
2. Cordell Hindler
3. Leslie Adams
4. Nick Zamorano

Agenda Item 8B – FY 2021-22 Mid-Year Budget Update

1. Steve Price
2. Paul and Sue Duncan

From:	maureen morrison
To:	City Clerk
Subject:	Public Comments - not on the agenda
Date:	Wednesday, February 23, 2022 11:59:15 AM

I am an El Cerrito property owner and resident.
I lived up Moeser close to The Arlington for 25 years and recently moved to the Credence building on San Pablo
Ave.
I'd like to first thank the various city employees and council member especially Steven Mello, Eddie Nodal, Sgt. Wentworth and Lisa Motoyama for having addressed concerns I've raised about my new neighborhood.
The concern I'd like to voice this evening is about the vast amount of debris on the east side of San Pablo Ave. between Eureka and Lincoln generated as a result of allowing a homeless individual to live in the middle of the city sidewalk there.
Fast food bags and wrappers (McDonalds, Burger King…), glass bottles, drink containers, cigarette cartons and butts and more litter the area making it unpleasant at best to go for a simple walk in the neighborhood. Human Excrement; feces, and the smell of urine also sully the area.
It seems that there is an organized group that has various individuals responsible for bringing food/supplies to the individual residing on San Pablo Ave.
My question is, "Is anyone in this group responsible for collecting the litter (human waste to be included) generated by their services?"
I am a Registered Nurse with many years experience in Mental Health/Psychiatric Services. The "system" that seems to be in place for this individual doesn't appear to benefit either the individual on the street (surely we/the community/The City of El Cerrito can do better than this) or the neighborhood residents or the public health safety of E.C.
Again, please, "What is the plan for the litter collection on the east side of San Pablo Ave. between Eureka and Lincoln? What is the plan to address this blight?"

Thank you for your attention and for addressing my concerns.

Maureen Morrison

From: Cordell Hindler
To: City Clerk
Subject: Public Comments- Not on the Agenda
Date: Thursday, February 24, 2022 2:50:26 PM

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good Evening Mayor Quinto, Council Members and Staff

I have a couple of Comments for the Record

1. for a future Agenda, the Council would Invite the Northern California Promise Coalition to make a Presentation on the Services

2. Also to Have Ken Kirkey to Provide an Update on the Affordable Housing element

Sincerely
Cordell

From:	leslie dibenedetto
To:	Gabe Quinto; Tessa Rudnick; Paul Fadelli; lmotoyama@ci.el-cerritio.ca.us; Janet Abelson; Karen Pinkos; City Clerk
Subject:	Council Meeting - Agenda Item 3/1/22
Date:	Tuesday, March 1, 2022 10:12:30 AM

Dear City Council Members and City Manager,

I am writing to you about the on-going and increasing issue of people living without a home in El Cerrito. What is the city doing to address this problem in a humane and thoughtful way?

The El Cerrito Progressives, Save Our Streets and other concerned community members have taken on the role of building relationships with and supporting people who have been living on our streets - providing them with temporary housing and attempting to identify services to support them. This has been a uphill battle as there is no central source to coordinate what services are out there, not to mention the lack of available help through our government.

Again, this is a time our city leaders can take leadership, be innovative and bold and move with haste. What about the portables that have sat vacant for TWO years? What about the "Interdepartmental Task Force on Homelessness"? What have they been up to? Nothing that we can see or have heard about.

Where is the coordination with other cities and the county? And, what are the plans for the new revenue from the Community Benefits Tax that are supposed to be used for services? How can the city make changes in our overfunding of the police department and address public safety head on?

We need to put resources in place to support people in need and meet them where they are at. I know you agree that everyone deserves dignity and support.

Thank you to the Public Works department for helping secure funds for affordable housing at Mayfair.

And, respect and condolences to the family of Officer Bernstine. This is a tragic loss.

Thanks for your time and hearing from someone at the top of the org chart!

Leslie Adams, El Cerrito

From: nick zamorano
To: City Clerk
Subject: Public Comment Non Agenda Item
Date: Tuesday, March 1, 2022 3:59:14 PM

Sent from Mail for Windows

I am writing in support of funding for a new fire engine to further protect El Cerrito residents from any fire threat. It is time that we improve our fire department with a new engine to replace the old and outdated model. I urge city council to request a special task force comprising of the city manager, finance director and fire chief to implement a plan as to how to fund a new fire engine. Perhaps earmarking revenues from the real estate transfer tax and property taxes and/or making adjustments in the fire departments budget could help finance it. At any rate, the residents need and want a new fire engine and I urge council and city staff to brainstorm ideas as to how to finance this endeavor within means of our current budget.

Nick Zamorano
El Cerrito Resident

From: STEVEN PRICE
To: City Clerk
Subject: Public Comments - Agenda item #8B
Date: Tuesday, March 1, 2022 10:45:25 AM

Dear El Cerrito City Council,

I see from the staff report for today that the Community Development Department is requesting an additional $25,000 for this year's budget to help with "transportation related projects and programs." I advocate expanding our thinking of "transportation" to include "access" to the things we need for local living. Sometimes the concept of transportation is overkill when what is needed is for local residents to be able to safely get to needed goods or services four blocks away or just across the street. This problem will get ever more acute as more residential buildings get built on San Pablo Avenue.

Aside from this semantic concern, I support the Community Development Department's request for an additional $25,000. Improving the nexus of housing, access, and transportation will reap the City dividends from property, sales, and business license taxes that will make the additional expenditure well worth it.

Steve Price
[redacted]
El Cerrito

From: Sue Duncan
To: City Clerk
Subject: Agenda Item 8B
Date: Tuesday, March 1, 2022 3:43:02 PM

City Council Members,

We urge the Council to approve the fire department's request for lease expenditures for a new fire engine to replace the aging and less reliable one currently in service. It is the city's responsibility to protect the citizens and to do this, the fire department must have reliable equipment in order to respond to emergencies. Timely response is vital to save lives and minimize damage to the structures in which we all live.

We realize that the city still has to limit expenditures in order to stay fiscally solvent with adequate reserves, but having reliable emergency equipment could mean the difference between life and death.

Engine 71, a 2005 model, has been in service since delivery in 2006, serving El Cerrito for close to 16 years. The National Fire Protection Association recommends that engines run for 15 years on the front line and then another 5 years as reserve. The current reserve engine is a 1995 model, having now been in service for 27 years, well past the recommended time for reserve engines. As the engines get older, their reliability decreases which is a safety factor, and parts get harder to obtain and repair costs increase. Engine 71 has over 13,000 hours on the engine, which is equivalent to over 750,000 miles, as the engines run while on calls. In the past year, parts to repair Engine 71 had to come from Colorado, delaying the repairs. In July of 2021, Engine 71 successfully made it to an emergency call but on the way back to the station, it quit and had to be towed to a repair shop in Alameda County. Recently, it had to be repaired for a leaky water tank. The repair bills have been high for all of this.

It is imperative that the city obtain a new, reliable engine to replace Engine 71. Besides the usual emergency calls, we are now facing a mega-drought and with the ever-looming threat of wildfire from our WUI on top of the drought, El Cerrito needs reliable, updated equipment to keep all of us safe. The new engine will have a cleaner burning and more efficient engine that will run on renewable diesel fuel. The cab will have full airbags and side curtains and anti-rollover technology that will protect the fire fighters in case of an accident. It will also have 360 degree cameras so that the driver can see all front, side and rear sides of the engine.

The equipment in the new engine will be an improvement over the current equipment used. The current hoses are 16 years old as are the ladders, rescue tools and more. The technology of fire hoses has greatly improved over the last 15 years, allowing firefighters to to apply more water while being able to move around easier.

El Cerrito needs reliable, safe equipment. Approving the initial lease payment for this engine is imperative and is consistent with the city's resolution that wildfire prevention and preparedness is a top priority of the city. You should also approve the fire department's other requests for additional funding. Thank you for your consideration of this very important expenditure.

Paul and Sue Duncan
Make El Cerrito Fire Safe

City of El Cerrito
Presentation to The City Council

March 1, 2022

Presented by: Ahmed Badawi, CPA
Partner

BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

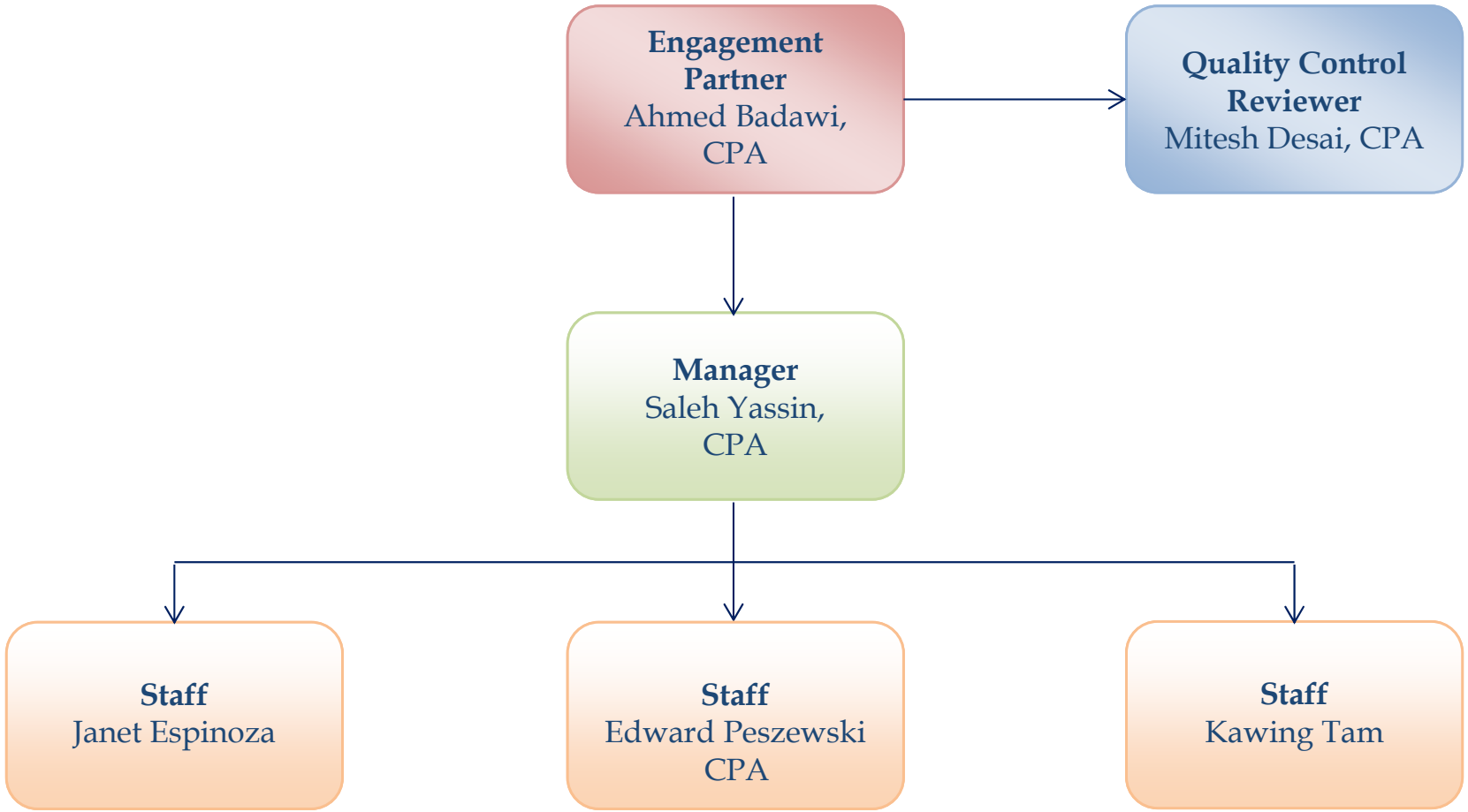
Badawi & Associates
Audit of the
City of El Cerrito

Agenda

- Engagement Team
- Deliverables and Scope of the Audit
- Areas of Primary Emphasis
- Auditor's Report and Financial Statements
- Required Communications
- New Accounting Standards
- Conclusion & Discussion/Questions

Engagement Team

Engagement Team



Deliverables and Scope of the Audit

- Independent Auditor's Report on City of El Cerrito Basic Financial Statements
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
- Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance
- Independent Auditor's Report on City of El Cerrito Employees' Pension Plan Basic Financial Statements
- Agreed-Upon Procedures Report on City of El Cerrito Master Installment Sale Agreement Compliance with Bond Covenants for the 2008 Sales Tax Revenue Bonds
- Agreed-Upon Procedures Report on Appropriation Limit Schedule
- Communications With Those Charged With Governance
  - Letter used to summarize communication of various significant matters to those charged with governance.

Areas of Primary Audit Emphasis

- Revenues & Receivables (Tax, Grants, Notes and Others): Improper revenue recognitions
  - Governmental Funds:
    - Confirmed/validated property taxes, sales taxes, franchise taxes & other significant revenues/receivables.
  - Proprietary Funds:
    - Performed analytical procedures and trends analysis.
- Pension & OPEB: Complex accounting standards
  - Reviewed management's journal entries for pension and OPEB.
  - Agreed amounts recorded to reports provided by CalPERS and CalPERS' Auditors and performed testing of census information used by CalPERS.
  - Tested the census information used by CalPERS
  - Obtained reports from CalPERS auditors regarding plan assets and census data

Areas of Primary Audit Emphasis

- The risk of management override of controls is addressed by the following procedures:
  - Assignment of audit staff based on consideration of audit risk.
  - Procedures to incorporate an element of unpredictability in the audit from period to period.
  - Consideration of the selection and application of significant accounting principles.
  - Examination of journal entries.
  - Review of accounting estimates for bias.
  - Evaluation of business rationale for unusual transactions.
  - Evaluation of the appropriateness of fraud-related inquiries performed.
- Impact of the shelter in place and remote work on the control environment.

Auditors' Report

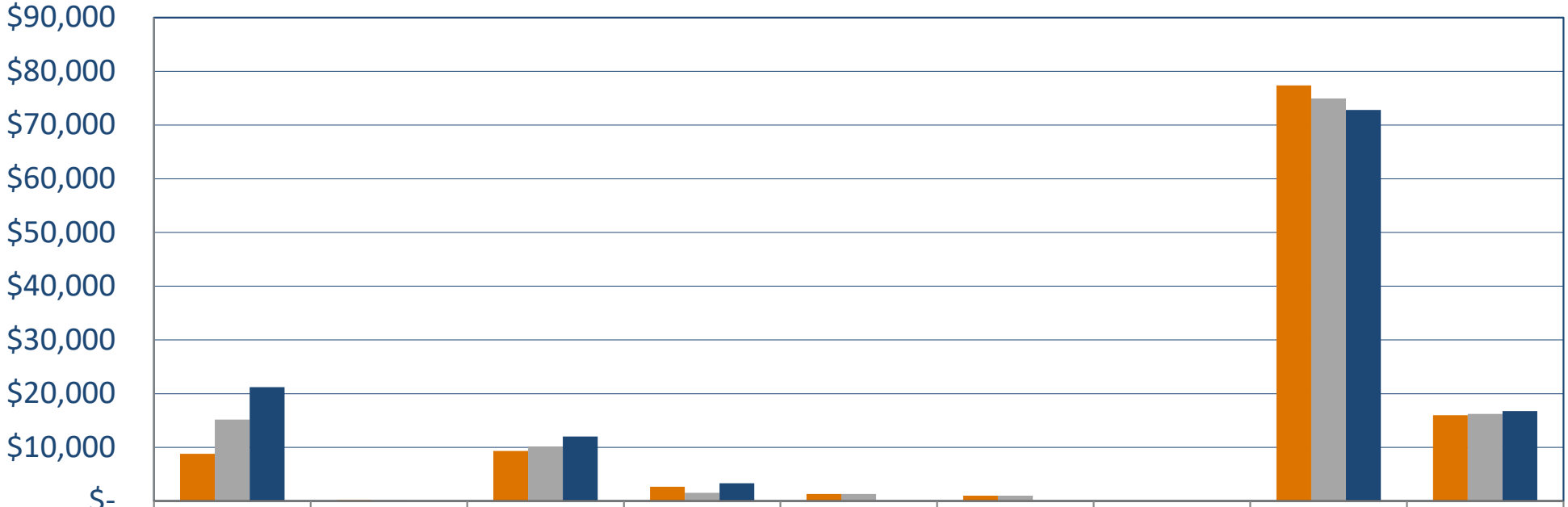
Auditor's Report

- Unmodified opinion
- Audit performed in accordance with Generally Accepted Auditing Standards, and Government Auditing Standards
- Financial statements are fairly presented in all material respects
- Significant accounting policies have been consistently applied
- Estimates are reasonable
- Disclosures are properly reflected in the financial statements

Financial Statements
$1,320,506,000 at June 30, 2008
Department of Education

Government-Wide Financial Statements

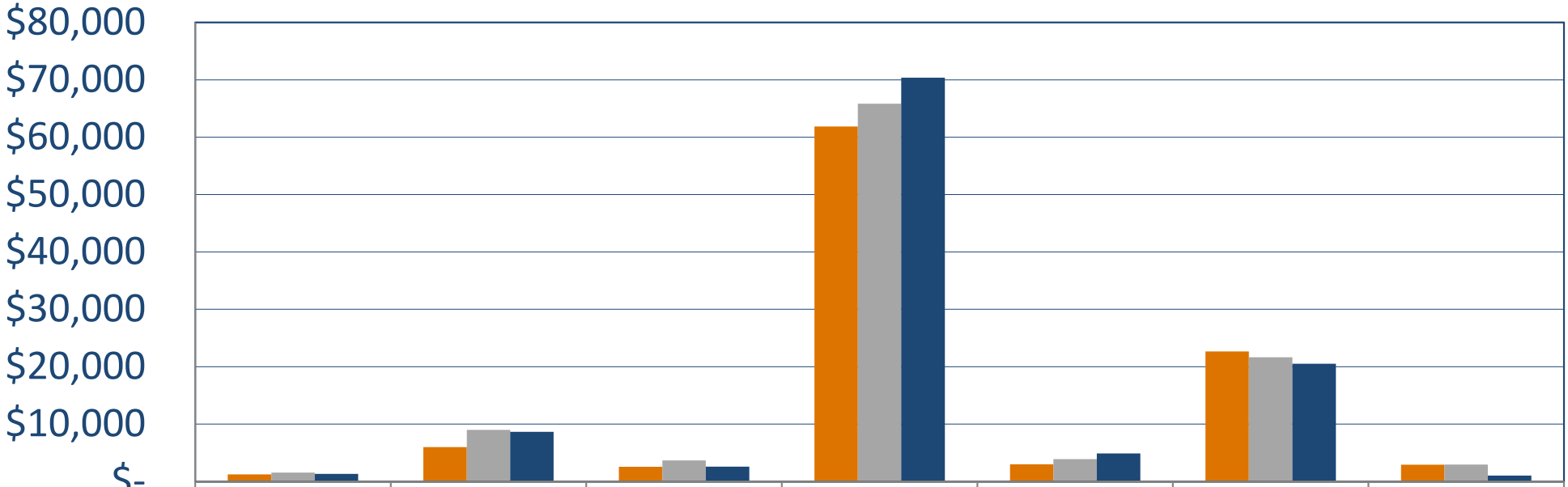
Assets and Deferred Outflows of Resources (in thousands)



	Cash & Investments	Restricted Cash & Investments with fiscal agents	Accounts, Accrued Interest, and Loan Receivable	Due from Other Governments	Advance to RDA Successor Agency	Land held for resale or redevelopment	Other Assets	Capital Assets	Deferred outflows of resources
2019	$8,806	$187	$9,339	$2,682	$1,321	$1,005	$12	$77,380	$16,007
2020	$15,171	$188	$10,188	$1,535	$1,321	$1,005	$32	$74,955	$16,245
2021	$21,216	$-	$12,021	$3,333	$-	$-	$26	$72,810	$16,763

Government-Wide Financial Statements

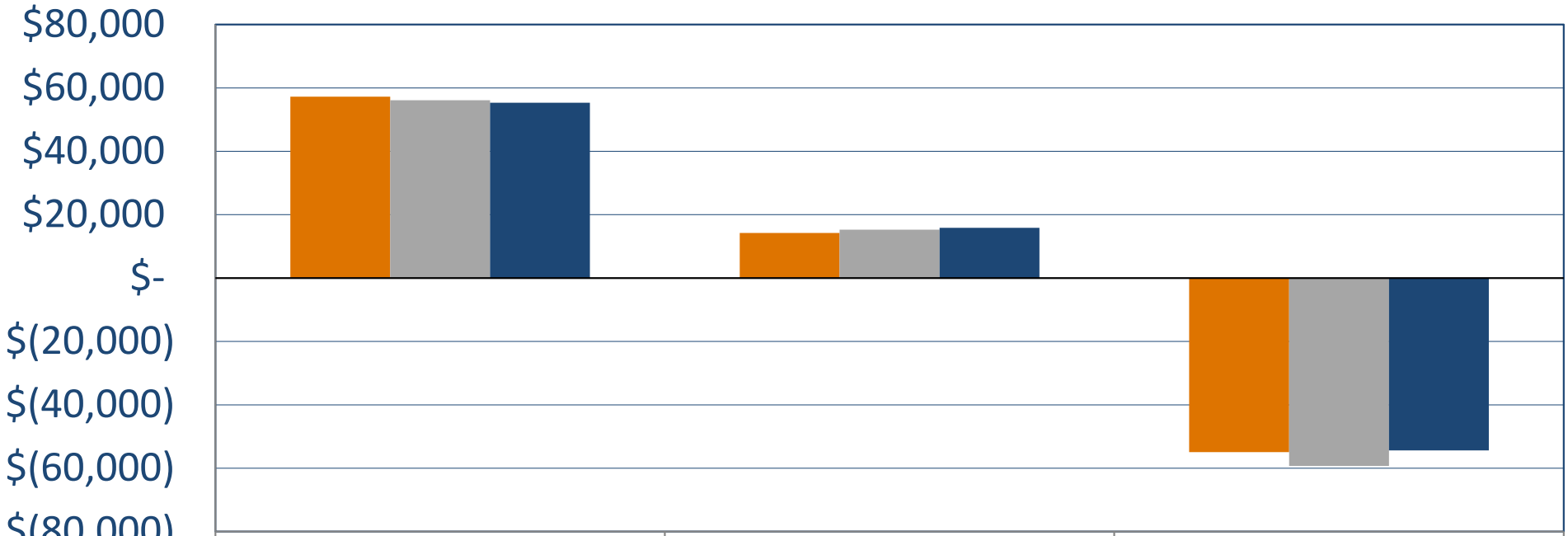
Liabilities and Deferred Inflows of Resources (in thousands)



	Accounts Payable	Tax and Revenue Anticipation Note	Other Current Liabilities	Net Pension Liability	OPEB Liabilities	Long-Term Debt	Deferred Inflows of Resources
2019	$1,232	$6,000	$2,567	$61,856	$2,995	$22,640	$2,923
2020	$1,554	$9,000	$3,679	$65,833	$3,906	$21,651	$2,954
2021	$1,319	$8,660	$2,586	$70,374	$4,887	$20,518	$1,034

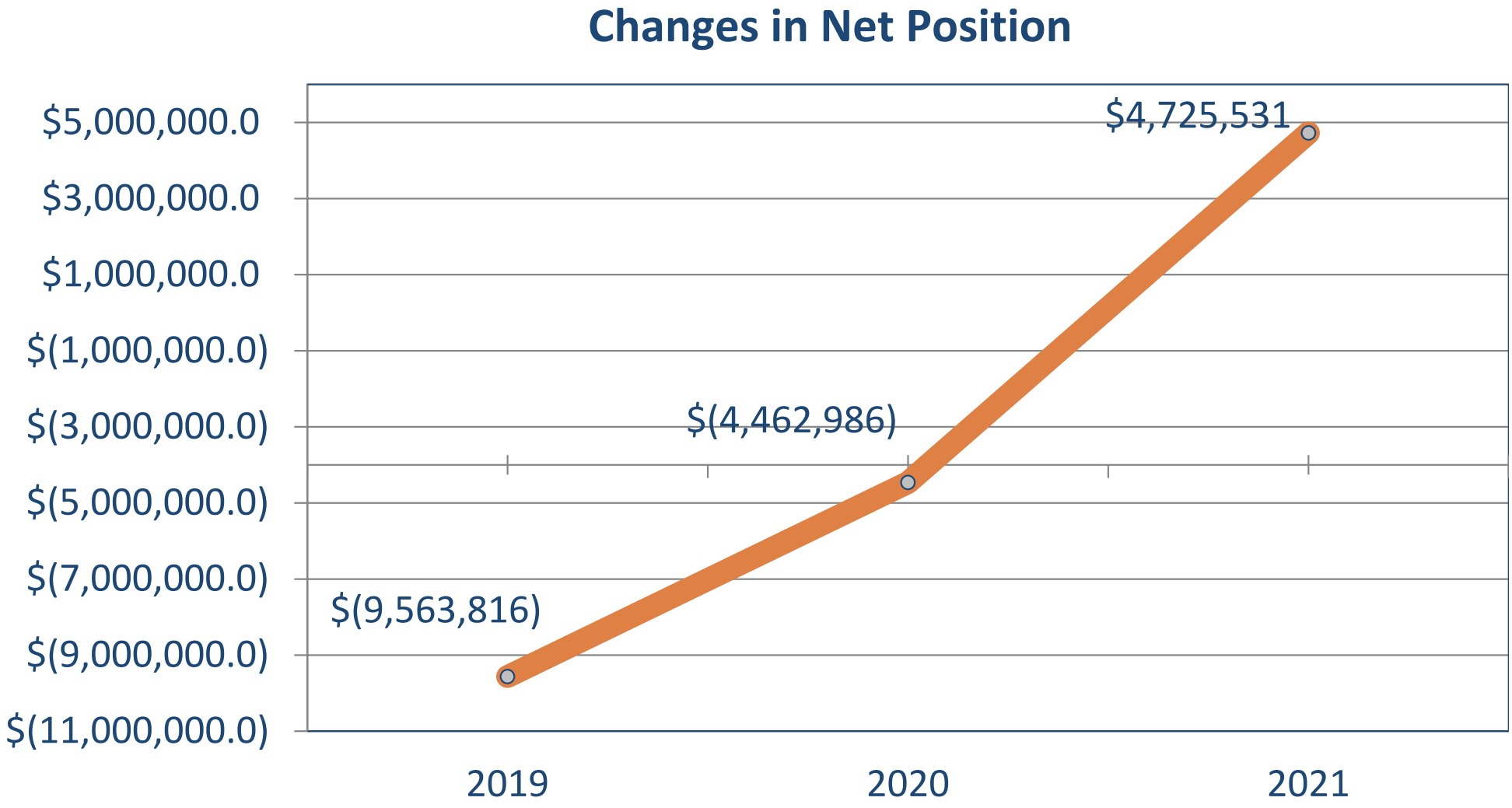
Government-Wide Financial Statements

Net Position (in thousands)

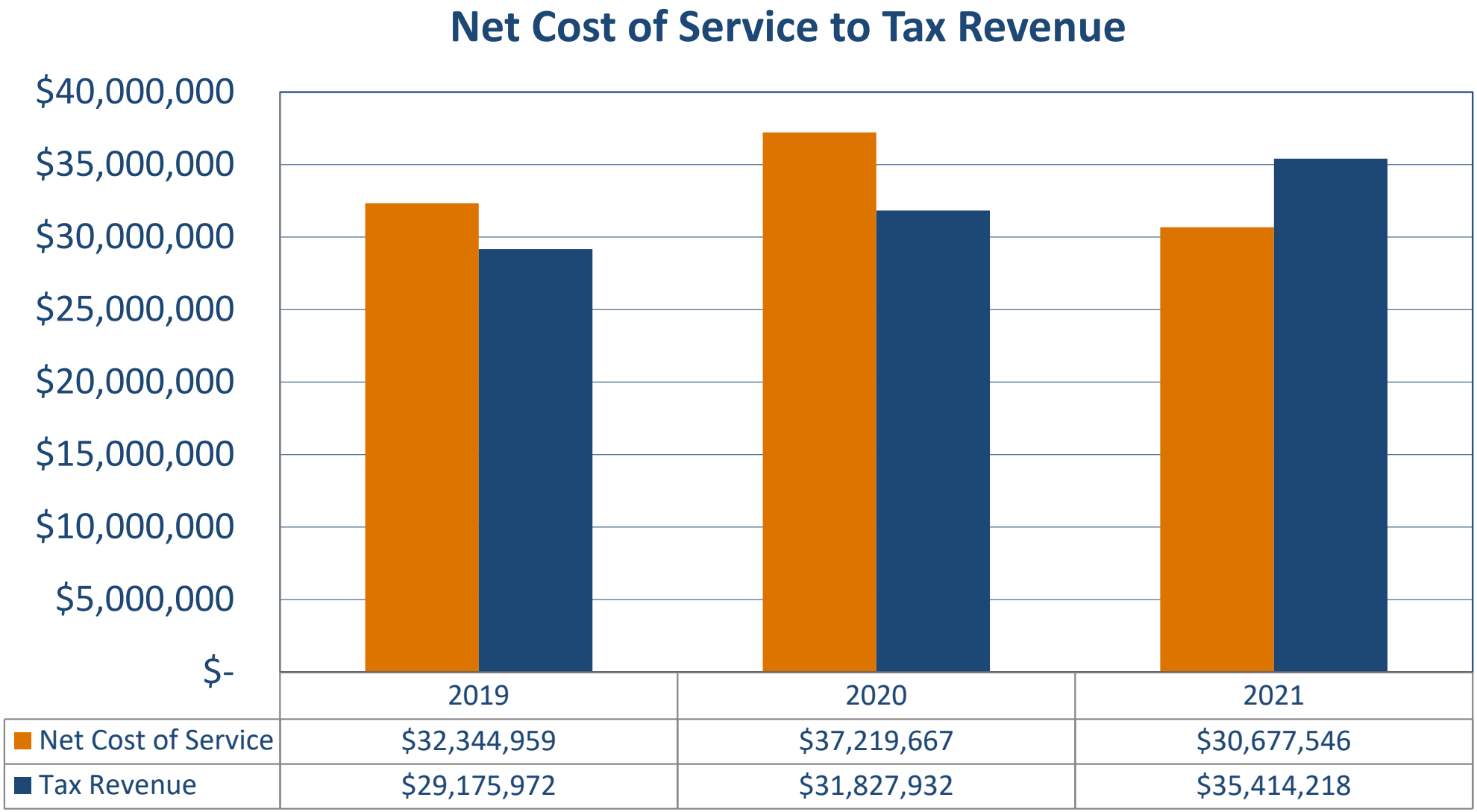


	Net Investment in Capital Assets	Restricted	Unrestricted
2019	$57,238	$14,226	$(54,936)
2020	$56,115	$15,241	$(59,291)
2021	$55,332	$15,859	$(54,401)

Government-Wide Financial Statements



Government-Wide Financial Statements



	2019	2020	2021
Net Cost of Service	$32,344,959	$37,219,667	$30,677,546
Tax Revenue	$29,175,972	$31,827,932	$35,414,218

General Fund

Expenditure Coverage

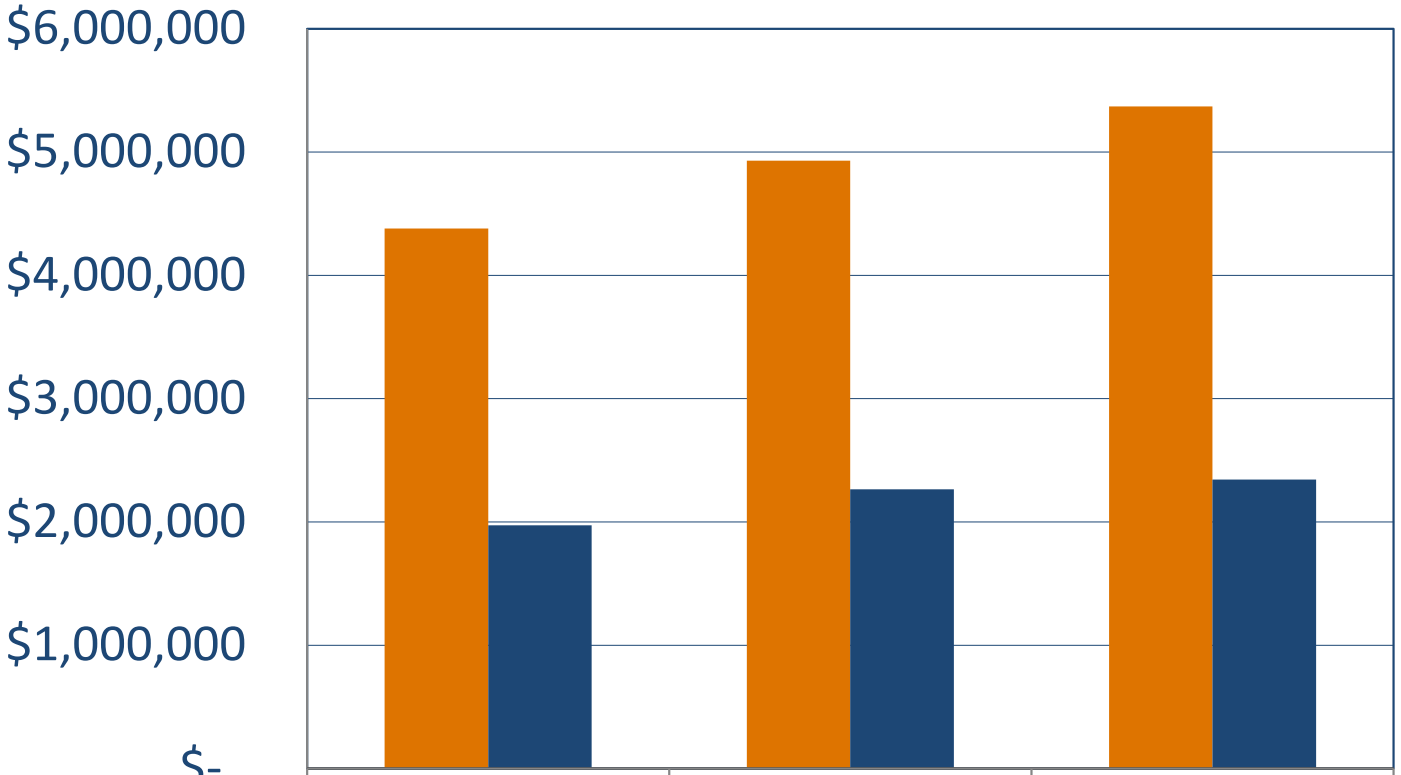
	2019	2020	2021
Unassigned Fund Balance	$ (1,707,620)	$ (1,777,532)	$ 7,177,568
Total Expenditures	$ 40,202,753	$ 39,686,283	$ 37,210,631
Unassigned Fund Balance as a % of Total Expenditures	-4.25%	-4.48%	19.29%
Number of months	0	0	2.3

GFOA recommendation 2 - 4

Measure of City's ability to operate with no revenues using available net position.

Other Financial Information

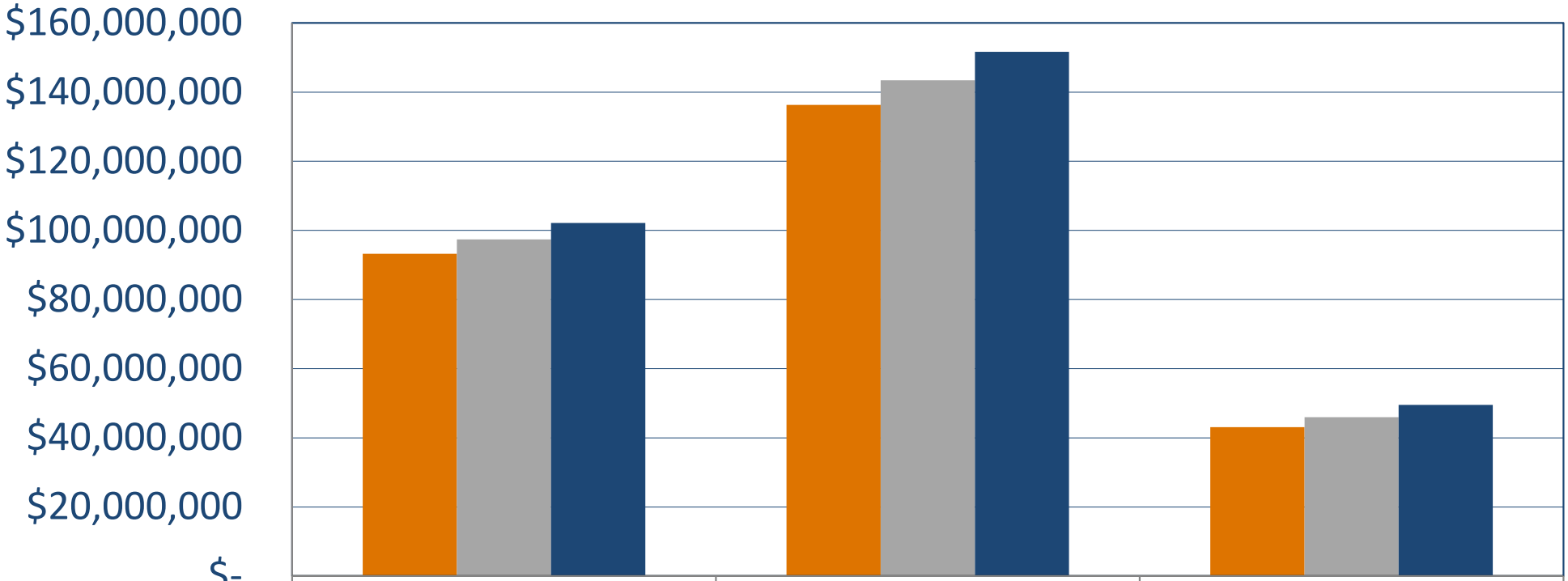
City's Annual Pension Contributions



	2019	2020	2021
Safety	$4,379,650	$4,930,336	$5,370,170
Miscellaneous	$1,973,692	$2,264,141	$2,343,260

Other Financial Information

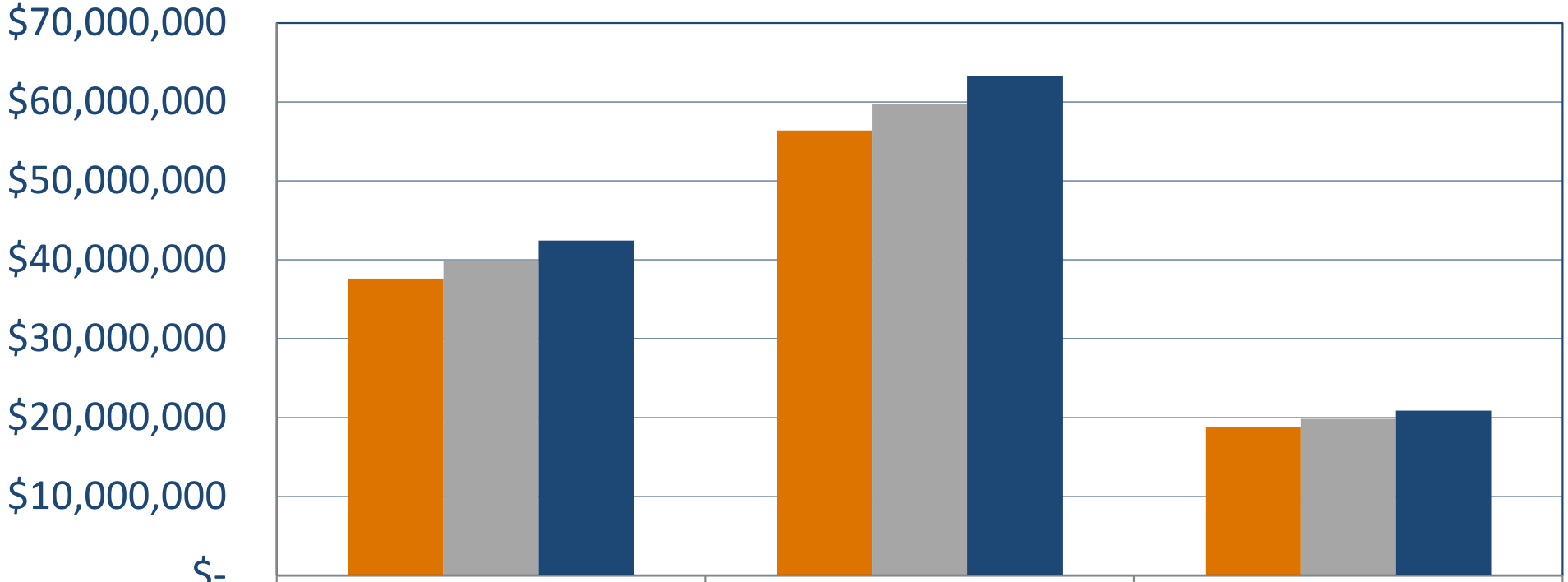
City's Pension Funded Status - Safety



	Fiduciary Net Position	Total Pension Liability	Net Pension Liability
as of 6/30/19	$93,225,746	$136,313,933	$43,088,187
as of 6/30/20	$97,400,333	$143,377,583	$45,977,250
as of 6/30/21	$102,128,734	$151,621,773	$49,493,039

Other Financial Information

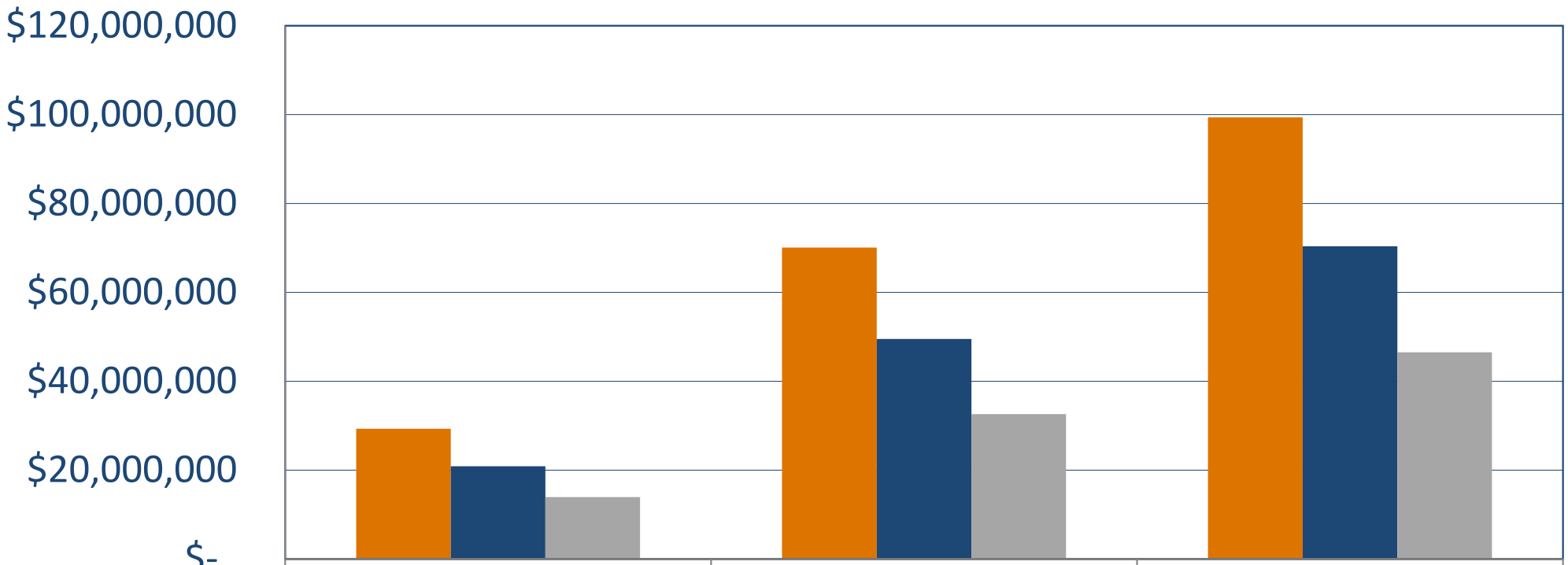
City's Pension Funded Status - Miscellaneous



	Fiduciary Net Position	Total Pension Liability	Net Pension Liability
as of 6/30/19	$37,607,601	$56,375,913	$18,768,312
as of 6/30/20	$39,920,395	$59,775,845	$19,855,450
as of 6/30/21	$42,420,723	$63,302,108	$20,881,385

Other Financial Information

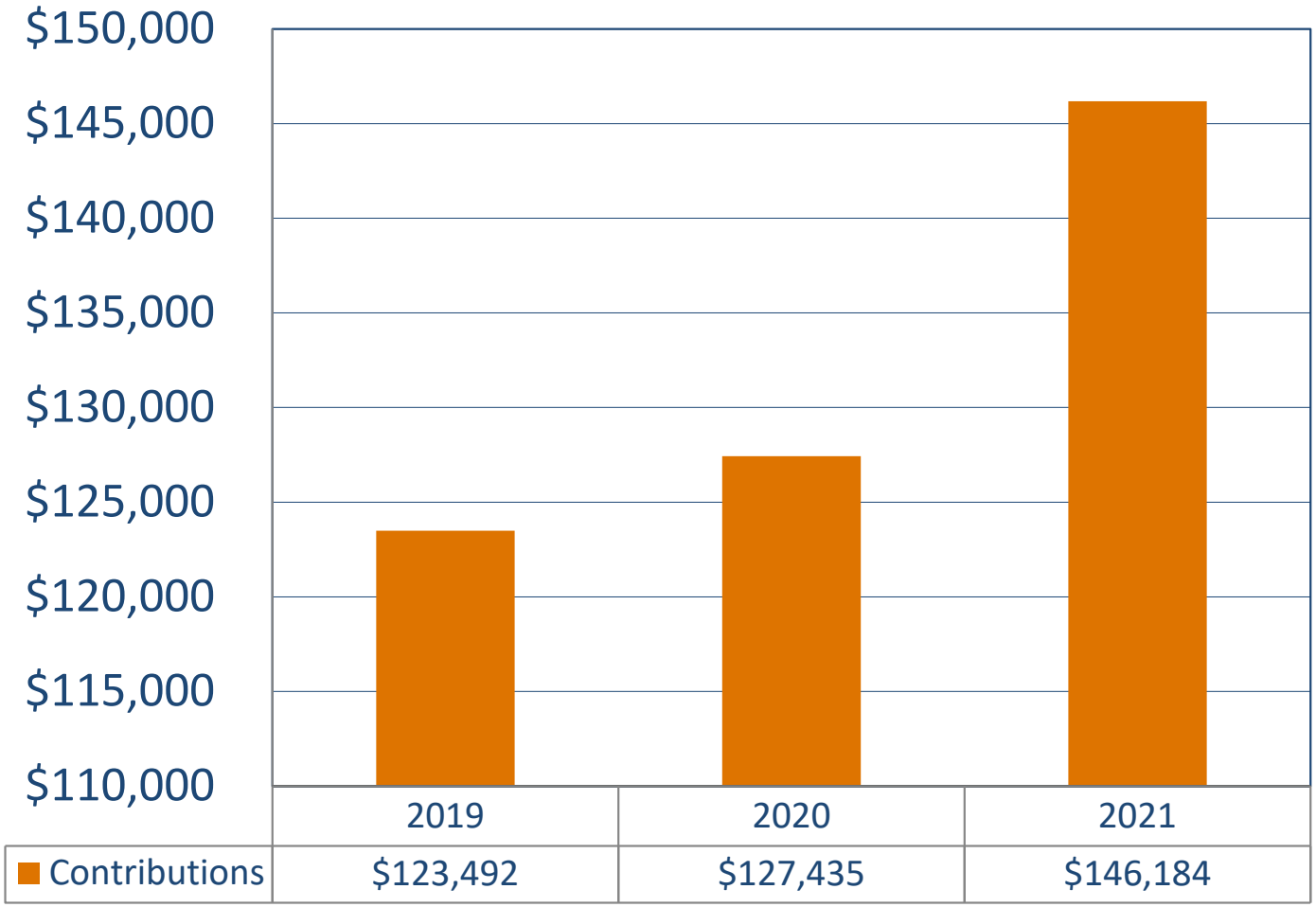
City's Net Pension Liability Sensitivity to Discount Rate (2020 Measurement Date)



	Miscellaneous	Safety	Total
6.15%	$29,305,351	$70,083,838	$99,389,189
7.15%	$20,881,385	$49,493,039	$70,374,424
8.15%	$13,920,926	$32,596,340	$46,517,266

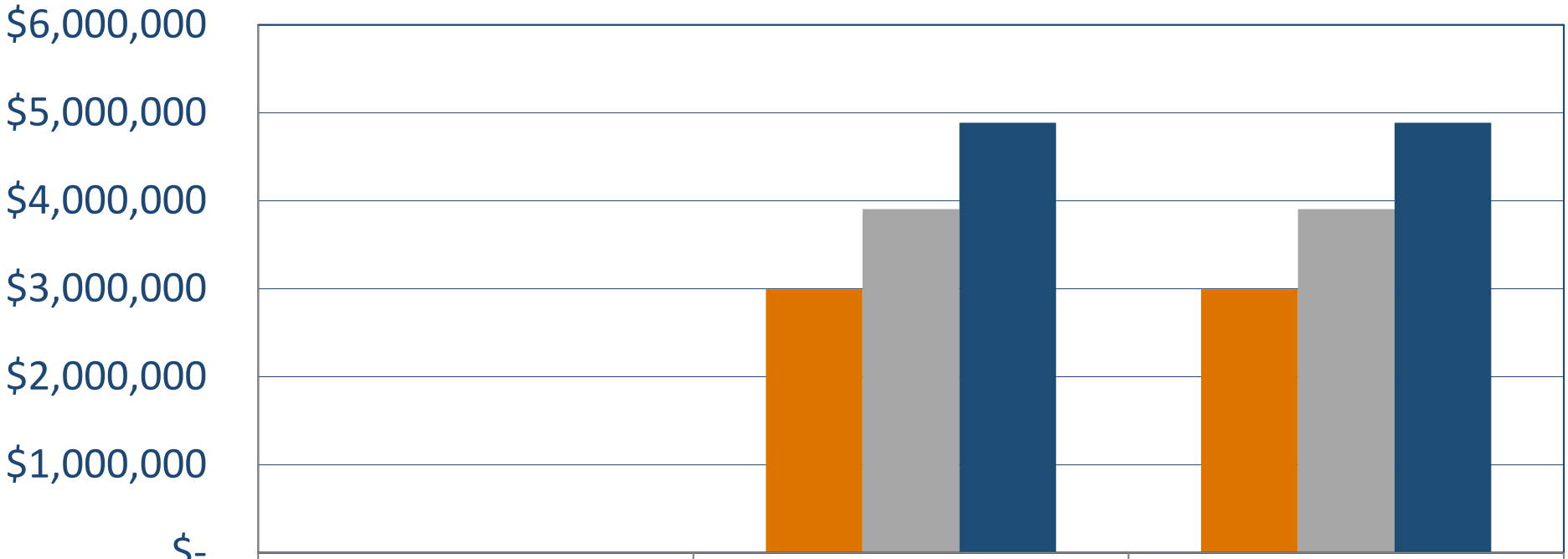
Other Financial Information

City's Annual OPEB Contributions



Other Financial Information

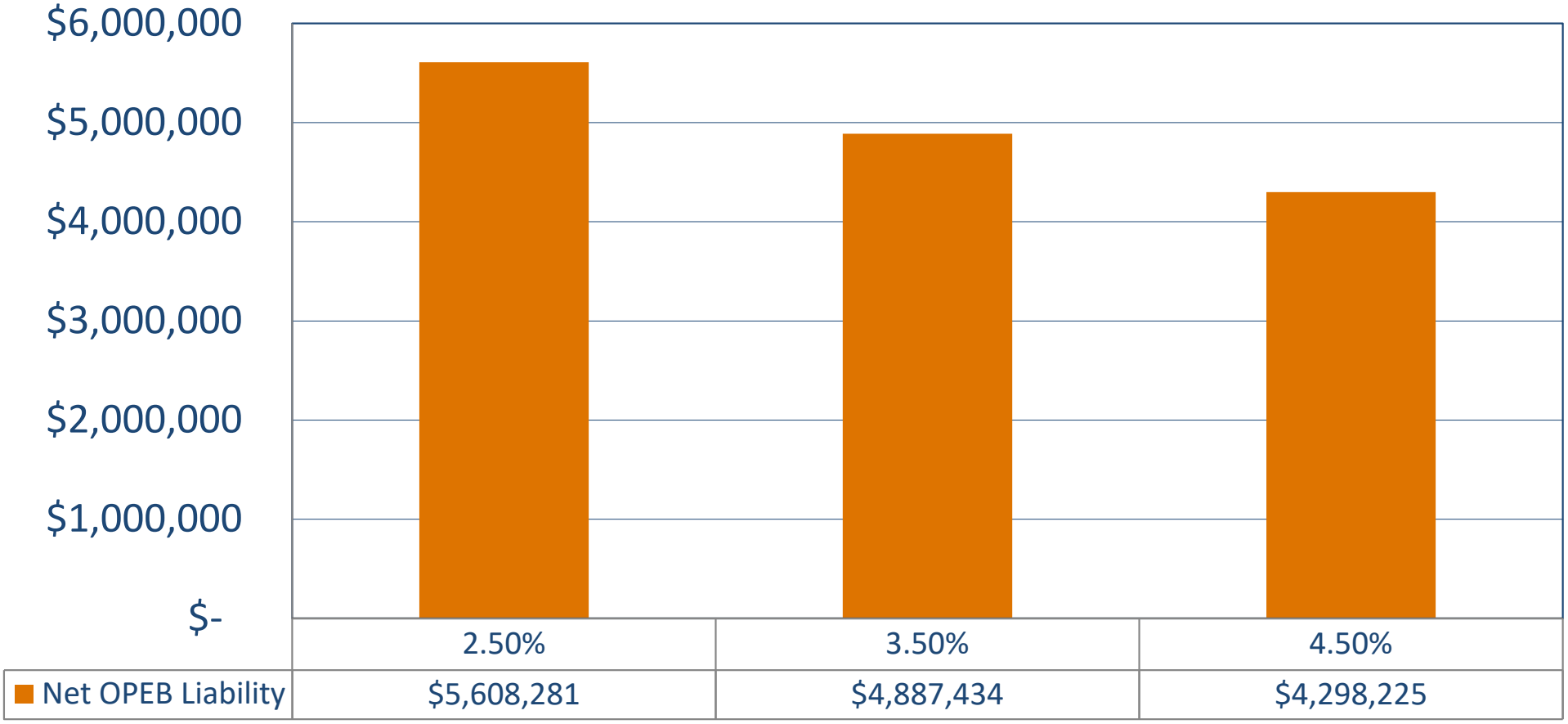
City's OPEB Funded Status



	Plan Fiduciary Net Position	Total OPEB Liability	Net OPEB Liability
as of MD 6/30/18	$-	$2,994,539	$2,994,539
as of MD 6/30/19	$-	$3,906,161	$3,906,161
as of MD 6/30/20	$-	$4,887,434	$4,887,434

Other Financial Information

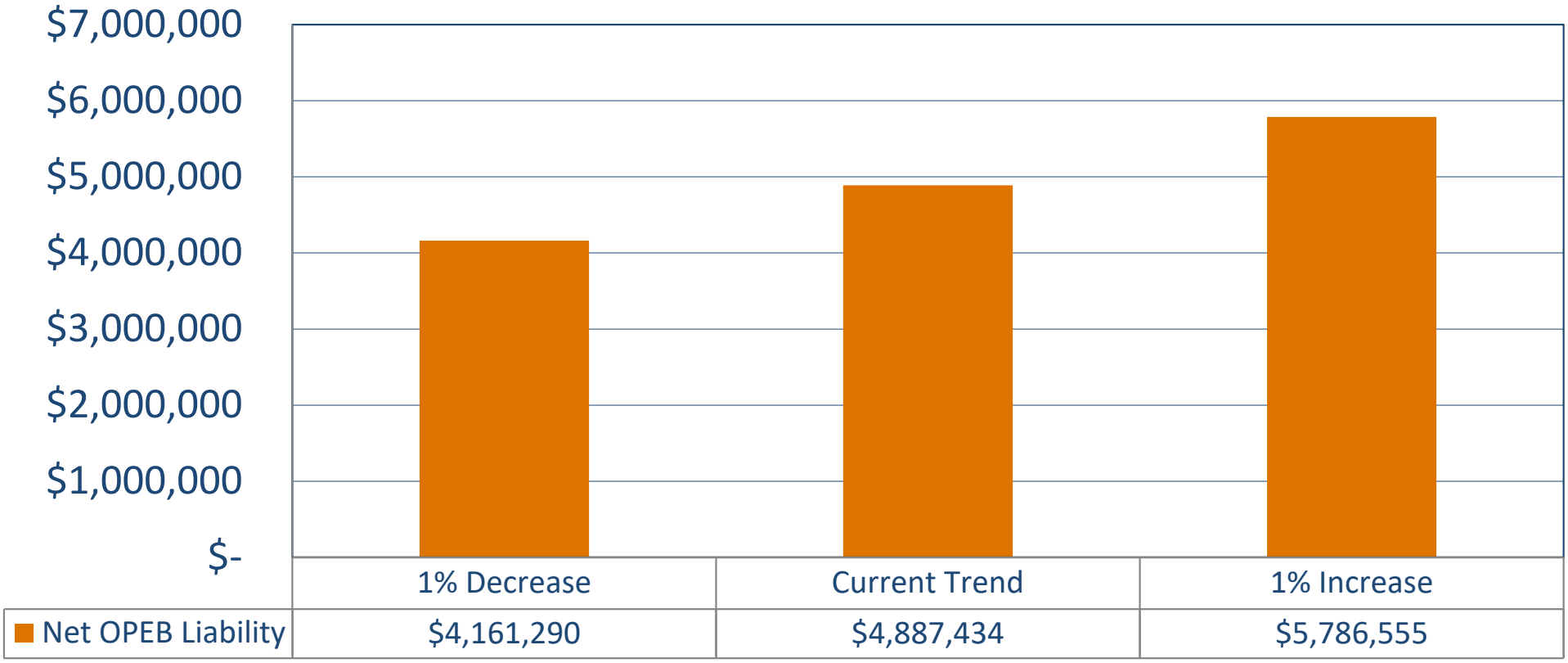
City's Net OPEB Liability Sensitivity to Discount Rate (2020 Measurement Date)



	2.50%	3.50%	4.50%
Net OPEB Liability	$5,608,281	$4,887,434	$4,298,225

Other Financial Information

City's Net OPEB Liability Sensitivity to Health Care Cost Trend Rate (2020 Measurement Date)



	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	$4,161,290	$4,887,434	$5,786,555

Communications

Required Communications

- Our Responsibility Under U.S. GAAS
  - Opinion on whether financial statements are fairly stated in accordance with U.S. GAAP
  - Evaluate internal control over financial reporting including tone at the top
  - Evaluate compliance with laws, contract and grants
  - Ensure financial statements are clear and transparent
  - Communicate with the governing body
- Management Responsibility
  - Management is responsible for the financial statements
  - Establish and maintain internal control over financial reporting
  - Making all financial records available to us
  - Establish internal control to prevent and detect fraud
  - Inform us of all known and suspected fraud
  - Comply with laws and regulations
  - Take corrective action on audit findings

Required Communications

- Independence

  - It is our responsibility to maintain independence
  - We will maintain our independence by strict adherence to the AICPA and the Board of Accountancy rules and regulations
  - Other than compiling the financial statements, no other services performed that could affect our independence

- Timing of the Audit

  - Audit was performed within the time frame communicated to the City in our engagement letters

Required Communications

- Significant Accounting Policies and Unusual Transactions

The City adopted the following new pronouncements during the year:

- **GASB Statement No. 84,** *Fiduciary Activities*
- **GASB Statement No. 90**, *Majority Equity Interests*
- **GASB Statement No. 93**, *Interbank Offered Rates (except LIBOR removal and lease modifications)*
- **GASB Statement No. 97**, *Certain Component Unit Criteria*
- **GASB Statement No. 98**, *The Annual Comprehensive Financial Report*

- Management Judgment and Accounting Estimates

- Useful-lives of Capital Assets
- Pension Plan (actuarial assumptions)
- OPEB Plan (actuarial assumptions)

Required Communications

- Sensitive Disclosures

  - Summary of Significant Accounting Policies
  - Cash and Investments
  - Long-term Debt
  - Capital Assets
  - Net Position and Fund Balances
  - Pension Plans and Other Post Employment Benefit (OPEB) Plans
  - Commitments and Contingencies
  - Redevelopment Agency Dissolution and Successor Agency Activities

- Difficulties Encountered in Performing the Audit

None

Required Communications

- Significant Audit Adjustments and Unadjusted Differences Considered by Management to be Immaterial

There were adjustments and reclassifying entries during the course of the audit. Management has posted all proposed audit adjustments.

- Potential Effect on the Financial Statements of Any Significant Risks and Exposures

No significant risks or exposures were identified. Legal matters and potential liabilities are disclosed in the financial statements

- Disagreement with Management

We are pleased to report that there were no disagreements with management

Required Communications

- Deficiencies in Internal Control → None
- Representations Requested of Management → We have requested certain representations from management that are included in the management representation letters.
- Management Consultation with Other Accountants → We are not aware of any significant accounting or auditing matters for which management consulted with other accountants

Required Communications

- Other Material Written Communications → Other than the engagement letter and management representation letter, there have been no other significant communications
- Material Uncertainties Related to Events and Conditions → None
- Fraud and Illegal Acts → We have not become aware of any instances of fraud or illegal acts

New Accounting Standards

2022

- Statement 87 – Leases
- Statement 89 – Construction-period interest
- Statement 92 – Omnibus (multiple effective date)

2023

- Statement 91 – Conduit debt
- Statement 94 – Public-private partnerships
- Statement 96 – Subscription-based information technology arrangements

Questions

Ahmed M. Badawi
abadawi@b-acpa.com

Thank You
For Allowing Us to Provide Audit Services to the City of El Cerrito

City Council Meeting

March 1, 2022

FY 2021-22
MID-YEAR BUDGET UPDATE

THE CITY OF
EL CERRITO

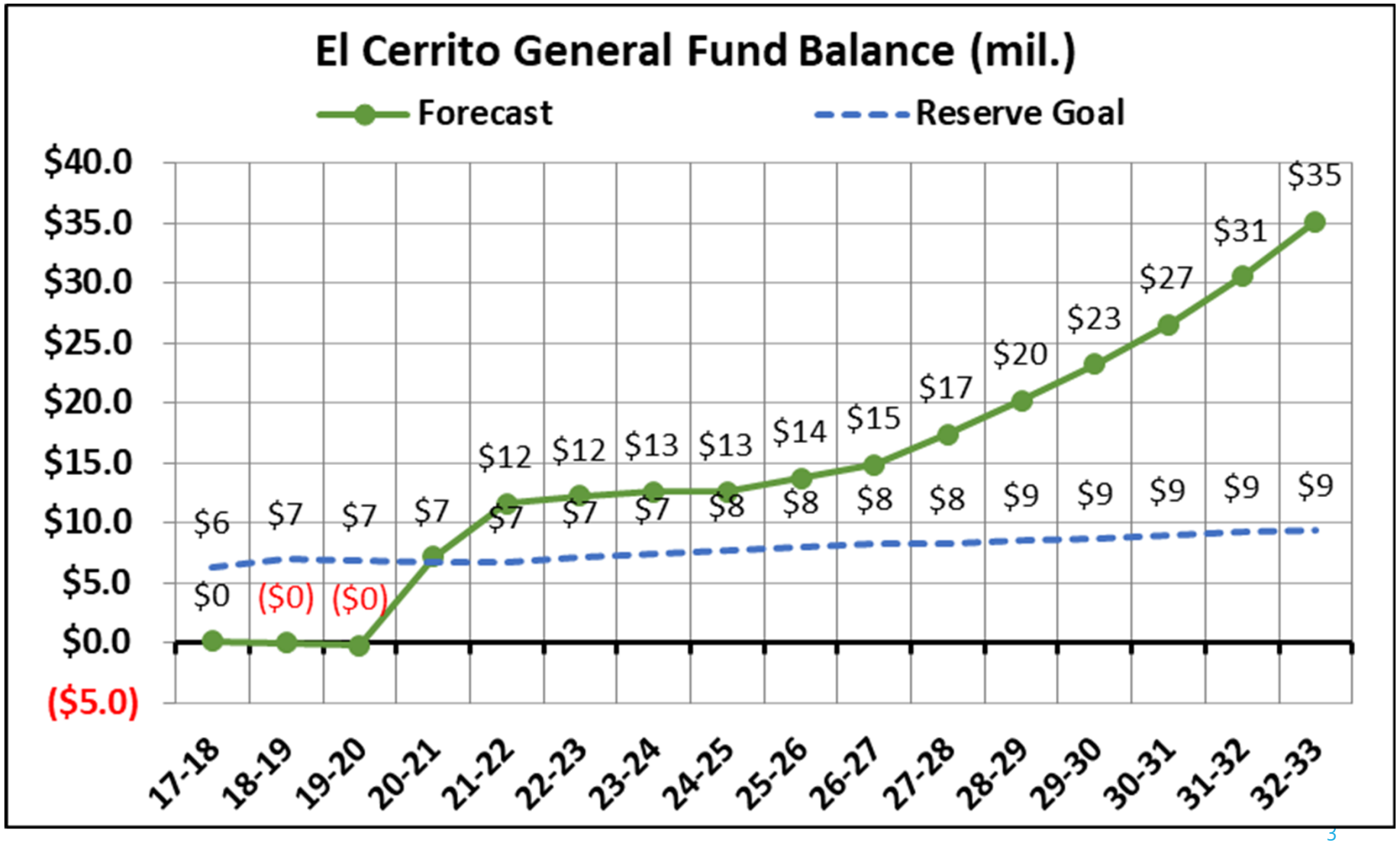
Proposed FY 2021-22 Mid-year Budget Adjustments

Revenue Adjustment	Amount
Real Property Transfer Tax	$800,000
Intergovernmental Revenues	496,000
Charges for service	1,183,000
Total Revenue Adjustments	**$2,479,000**

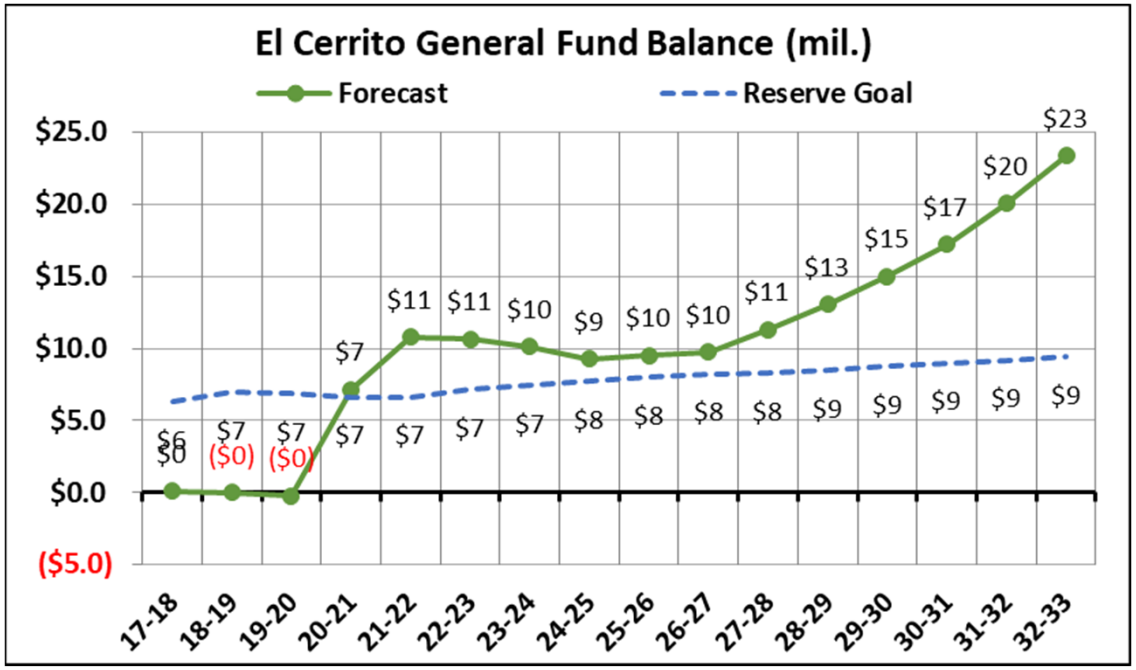
Expense Adjustment	Amount
Personnel	$569,500
Professional Services	817,500
Property and Capital	155,000
Other Administrative Services	520,400
Total Expense Adjustments	**$2,062,400**

- New Projected General Fund Surplus as of mid-year: $528,869
  - Adopted Budget General Fund Surplus: $419,269
- Projected General Fund Balance ending FY 2021-22 (without ARPA): $7.7 million
  - Second ARPA Tranche due 2022: $3.05 million
  - Total Projected General Fund Balance ending FY 2021-22: +$11 million

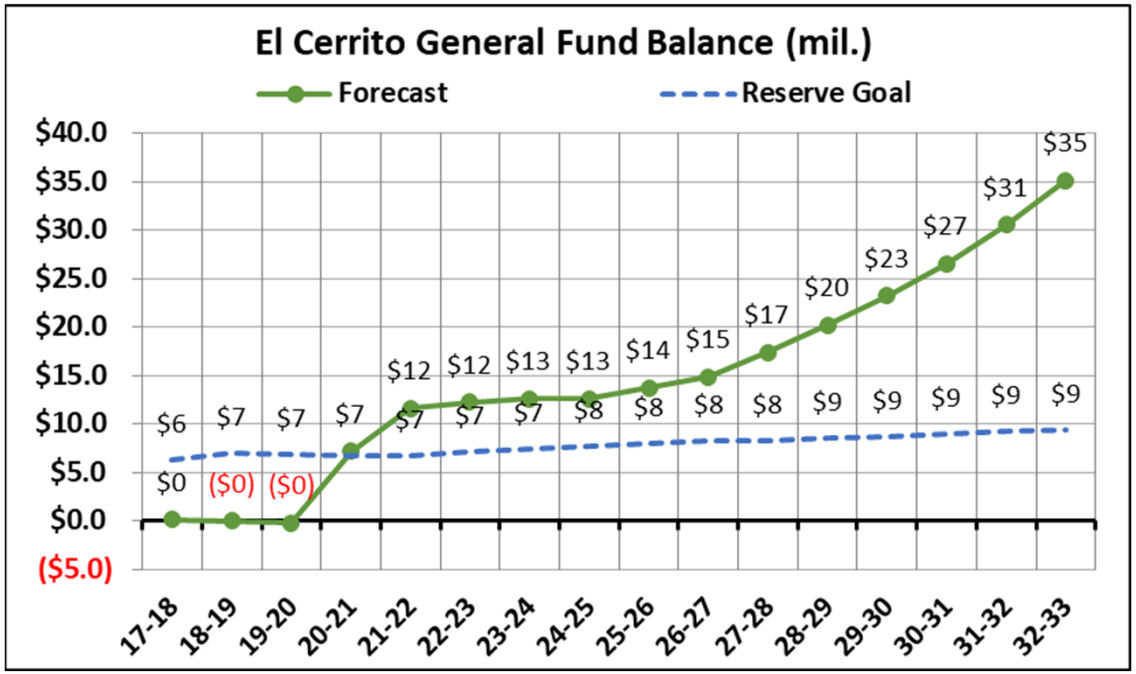
Draft 10-Year Projection: Proposed FY 2021-22 Mid-year adjustments



Model as presented on 2/5/2022



Draft Model including Proposed Mid-year adjustments



Proposed FY 2021-22 Mid-year Adjustments: Special Funds

Adjustment	Amount
Fund 207 - Measure H Park & Rec Facilities	$88,000
Fund 222 - C.O.P.S. Grant Fund	0*
Fund 501 – Integrated Waste Management	25,000
Total Special Fund Adjustments	**$113,000**

Proposed Amended Spending Authority FY 2021-22

Fund	**101 - General Fund**	$42,352,378.00
Fund	**201 - Gas Tax Fund**	519,694.00
Fund	**202 - Nat'l Pollut Dis Elim Sys**	366,804.00
Fund	**203 - Land & Light Assess Distr**	842,185.00
Fund	**204 - Measure J-Return to Source Fund**	405,887.00
Fund	**205 - Measure J Storm Drain**	786,113.00
Fund	**206 - Measure A Parcel Tax**	217,366.00
Fund	**207 - Measure H Park & Rec Facilities**	724,948.00
Fund	**209 - Vehicle Abatement Fund**	30,900.00
Fund	**211 - Street Improvemt & Maint**	1,634,508.00
Fund	**212 - SB1-Road Repair & Accountability**	649,000.00
Fund	**213 - Public Art Fund**	100,000.00
Fund	**214 - Measure J-Paratransit Fund**	160,492.00
Fund	**221 - Grants**	395,511.00
Fund	**222 - C.O.P.S. Grant Fund**	153,000.00
Fund	**232 - City LMI Housing Fund**	207,528.00
Fund	**301 - Capital Improvement Fund**	2,645,610.00
Fund	**501 - Integrated Waste Mgmt**	3,676,358.00
Fund	**701 - Pension Trust Sect 401-A**	85,000.00
Fund	**835 - City Hall Bond D/S**	580,763.00
Fund	**836 - Street Imp Bond D/S**	706,300.00
		$57,240,345.00