

**Mayor**  
Lisa Motoyama  
**Mayor Pro Tem**  
Tessa Rudnick



**Councilmembers**  
Paul Fadelli  
Gabriel Quinto  
Carolyn Wysinger

**SATURDAY, APRIL 22, 2023**

**CONCURRENT COMMUNITY TOWN HALL BUDGET MEETING  
AND SPECIAL CITY COUNCIL MEETING (10:00 AM)**  
Council Chambers - 10890 San Pablo Ave, El Cerrito

**Join Via Zoom:**

<https://us06web.zoom.us/j/86977516334?pwd=OVJOWDNQYU9OSDdwQWR6Nk1FR3RyUT09>

**Meeting ID:** 869 7751 6334 **Password:** 118655 **Dial in:** 1-408-638-0968

**Accommodations:** In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at 510-215-4305. Notification 48 hours prior to the meeting will enable the City to make reasonable accommodations. Closed Captions available via zoom.

**Please note this meeting will not be the typical format for a City Council meeting. This notice is being posted as a quorum of City Council Members are expected to attend and may participate in the discussion.**

Members of the public can participate in the community town hall in person or by joining the Zoom meeting using the information listed above.

The City cannot guarantee that time will permit all questions to be addressed during the town hall, however residents can also provide input online at <https://polco.us/n/res/vote/el-cerrito-ca/fy-2024-budget-survey?>

**10:00 AM CALL TO ORDER - CONVENE CONCURRENT COMMUNITY TOWN HALL BUDGET MEETING AND SPECIAL CITY COUNCIL MEETING**

**1. COMMUNITY BUDGET TOWN HALL**

**Action Proposed:** Hear an update on the City's budget, ask questions and share your input with City staff.

**Contact:** Karen Pinkos, City Manager, City Management

**2. ADJOURN CONCURRENT COMMUNITY TOWN HALL BUDGET MEETING AND SPECIAL CITY COUNCIL MEETING**

*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.*



# City of El Cerrito

BUDGET UPDATE

COMMUNITY TOWN HALL MEETING

APRIL 22, 2023

# Today's Program

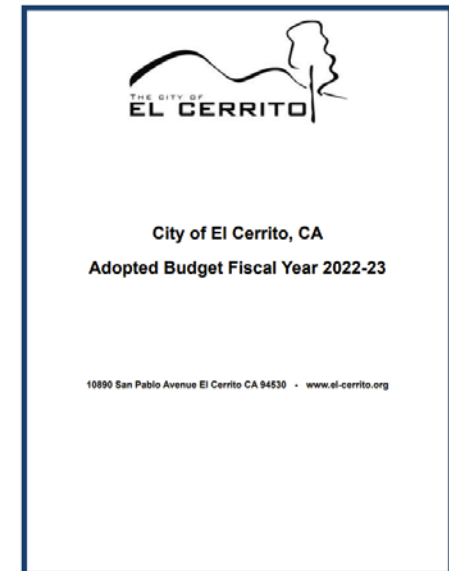
- ▶ Overview of City's Budget (15-20 minutes)
- ▶ Questions and Answers (30-45 minutes)
- ▶ Feedback and Input (45-60 minutes)
- ▶ Wrap Up

# The Annual Budget

The annual budget represents the spending plan for the fiscal year (July 1 – June 30) that provides funding for all City services and programs that supports the City's mission, vision, and values.

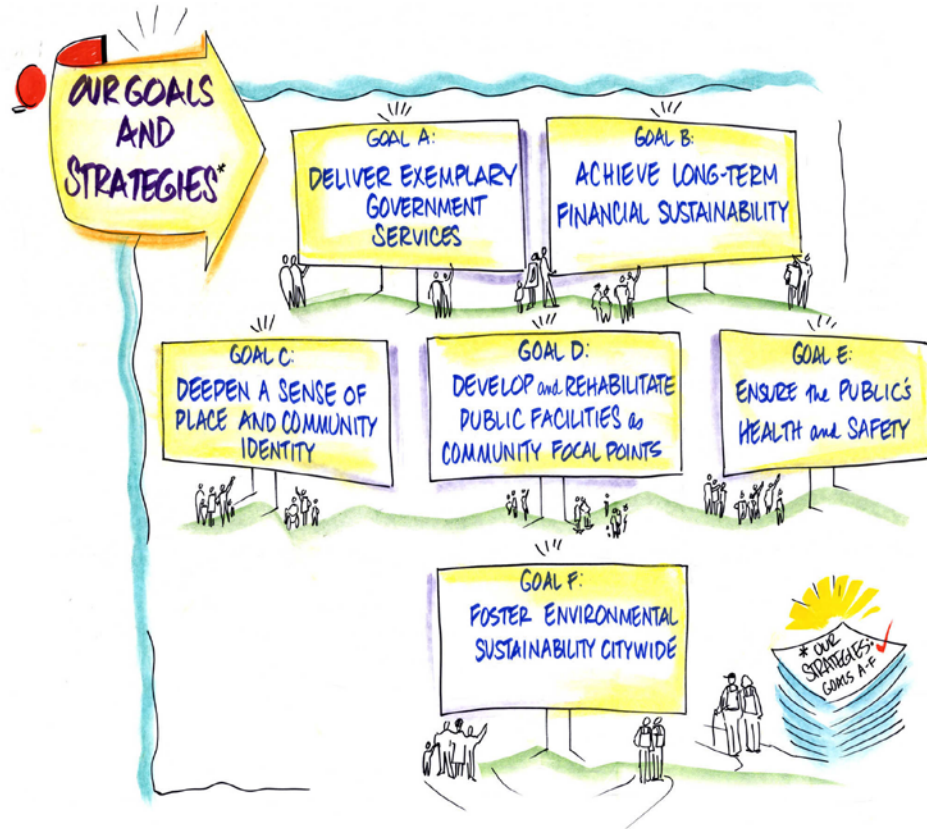
The budget document serves as:

- ▶ Planning Document
- ▶ Financial Plan
- ▶ Operations Guide
- ▶ Communication Device



[www.el-cerrito.org/annualbudgetprocess](http://www.el-cerrito.org/annualbudgetprocess)

# FY 2022-23 Adopted Budget Focus



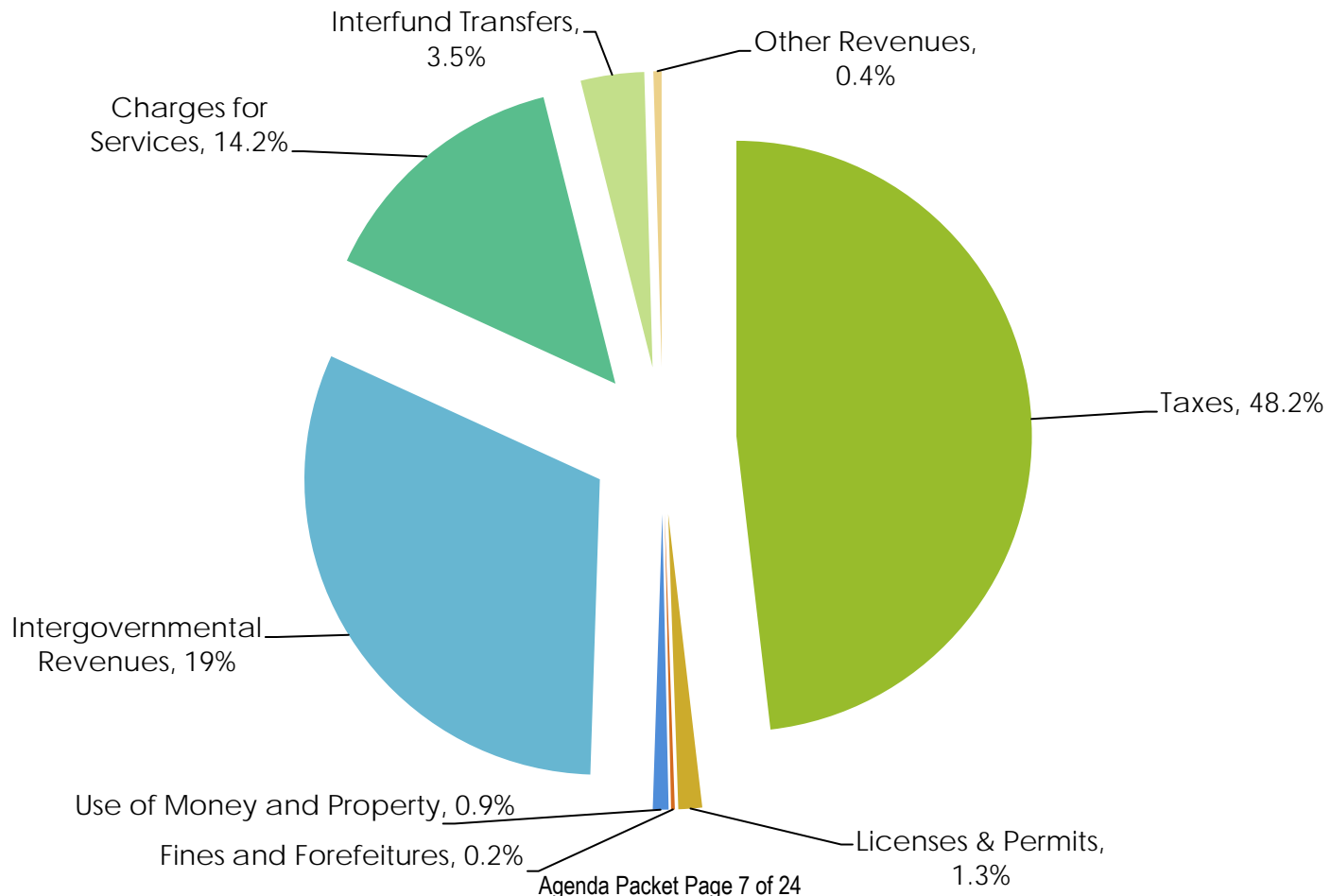
## Achieve Long-term Financial Sustainability

- ▶ General Fund Reserve
- ▶ Fiscal Response Plan
- ▶ Constant Monitoring of Financial Position
- ▶ Fiscal Discipline

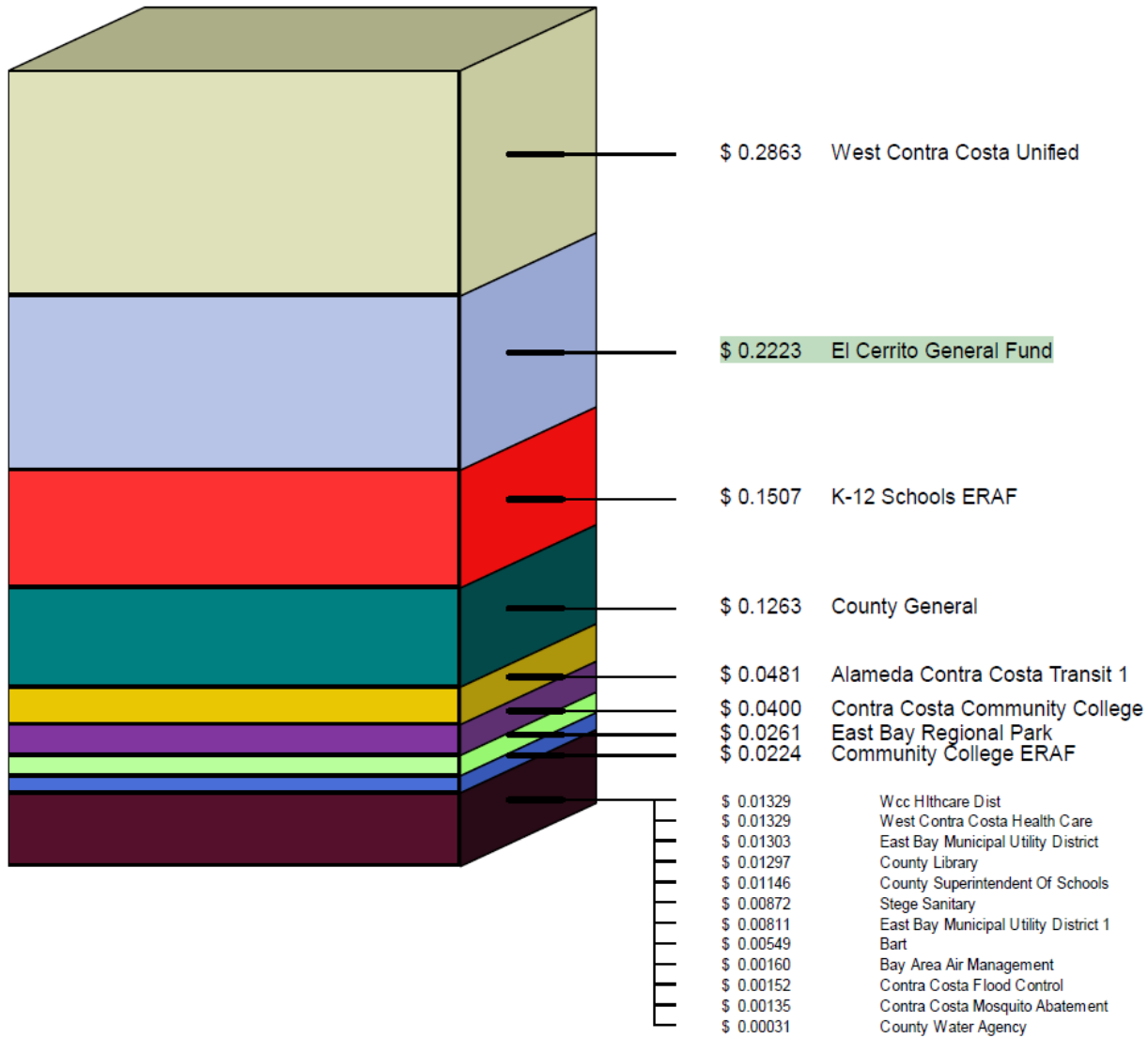
# FY 2022-23 Adopted Budget: City Council Priorities – Overview

- ▶ Implement City Council Direction with focus on financial sustainability
- ▶ Implement workplan of “Must Do” tasks and projects in progress
- ▶ Continue current priorities and strategic goals
- ▶ Strategically restore services and staffing
- ▶ Maintain fiscal discipline with a budget focus of financial sustainability

# FY 2022-23 Adopted Budget Citywide Revenues All Funds \$68,917,730

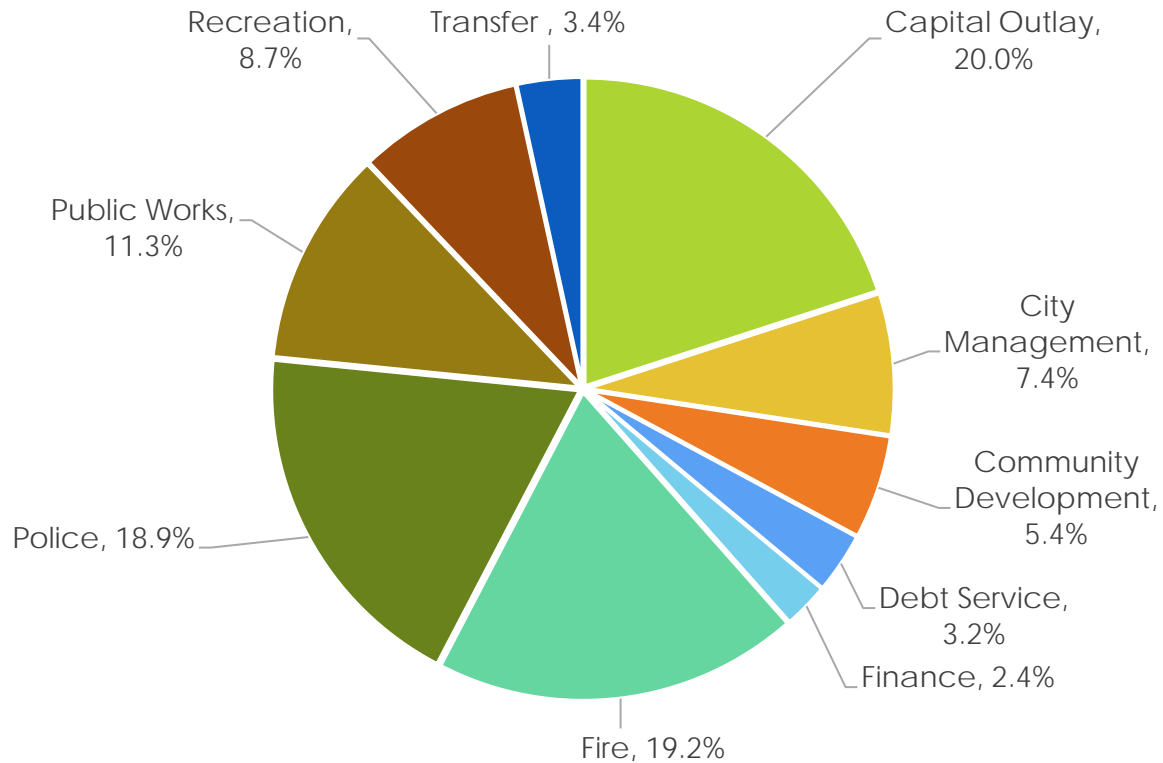


# El Cerrito Property Tax Dollar Breakdown

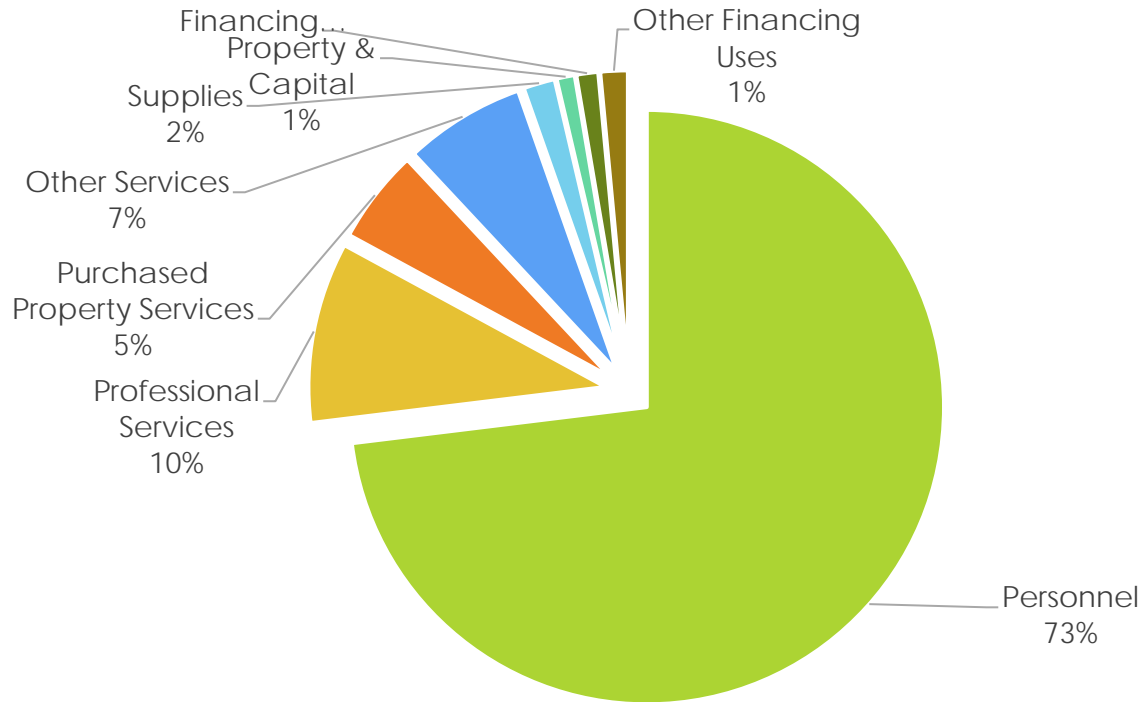


**\$ 1.0133**

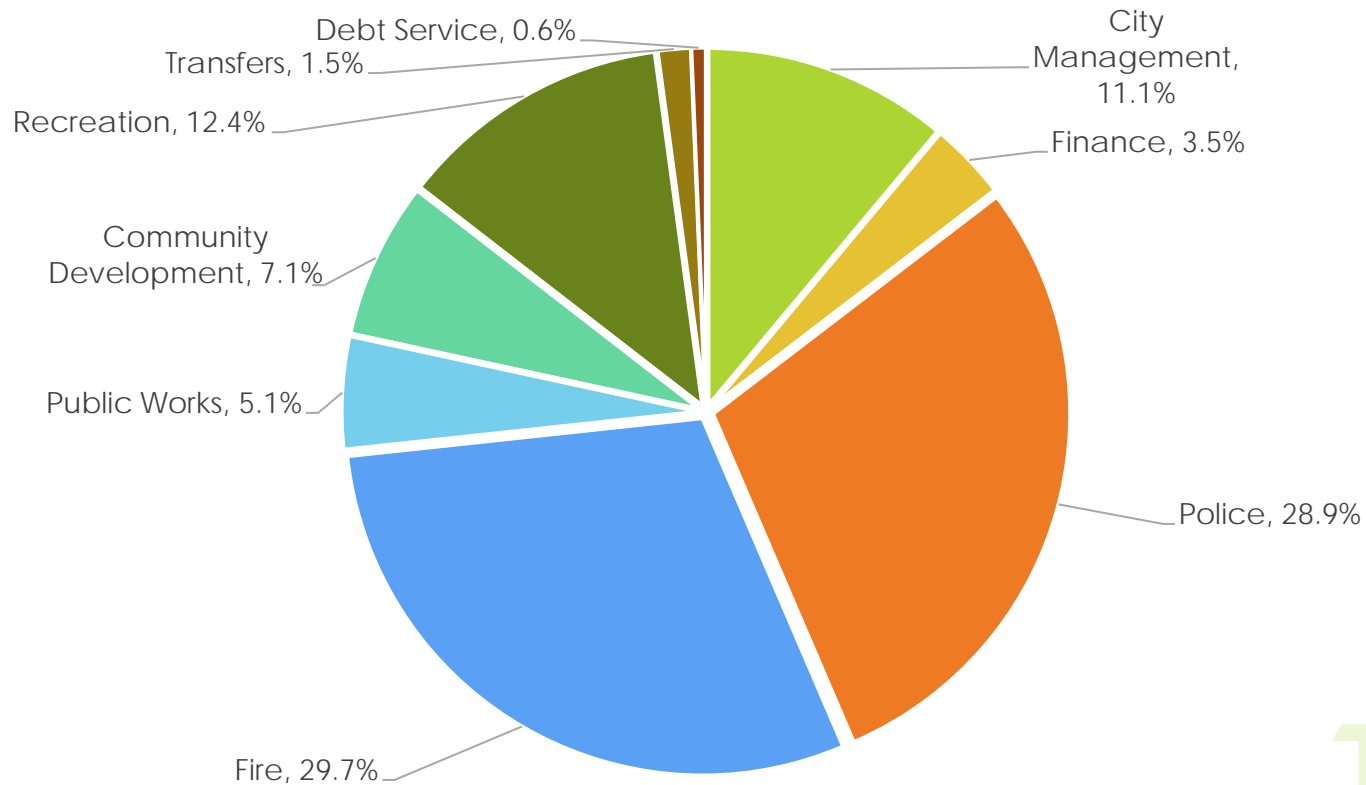
# FY 2022-23 Adopted Budget Citywide Expenditures by Department All Funds: \$69,573,629



# FY 2022-23 Adopted Budget: General Fund Expenditures \$44,865,113



# FY 2022-23 Adopted Budget: General Fund Expenses by Department



# FY 2022-23 Amended Budget General Fund Expenditures \$47,046,145

General Fund							
Dept	One-Time Revenue	Ongoing Revenue	TOTAL REVENUE	One-Time Expense	Ongoing Expense	TOTAL EXPENSE	Net General Fund
City Manager			-	60,000.00	44,000.00	104,000.00	(104,000.00)
Human Resources			-		110,203.00	110,203.00	(131,131.00)
Finance Dept		125,000.00	125,000.00	239,731.00	16,400.00	256,131.00	\$ (131,131.00)
Community Development	462,000.00		462,000.00	558,618.26		558,618.26	\$ (96,618.26)
Fire Department <i>(diff btwn OES fees/exp)</i>	338,890.00 5,731.19	222,000.00		771,650.20	211,124.75		
	344,621.19	222,000.00	566,621.19	771,650.20	211,124.75	982,774.95	(416,153.76)
Police Department			-	801.40		801.40	\$ (801.40)
Public Works	70,000.00		70,000.00	158,439.00	10,063.87	168,502.87	\$ (98,502.87)
Recreation Department			-			-	\$ -
<b>TOTAL GF IMPACT</b>	876,621.19	347,000.00	1,223,621.19	1,789,239.86	391,791.62	2,181,031.48	\$ (957,410.29)



# Annual Comprehensive Financial Report (ACFR)

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**Annual Comprehensive Financial Report**

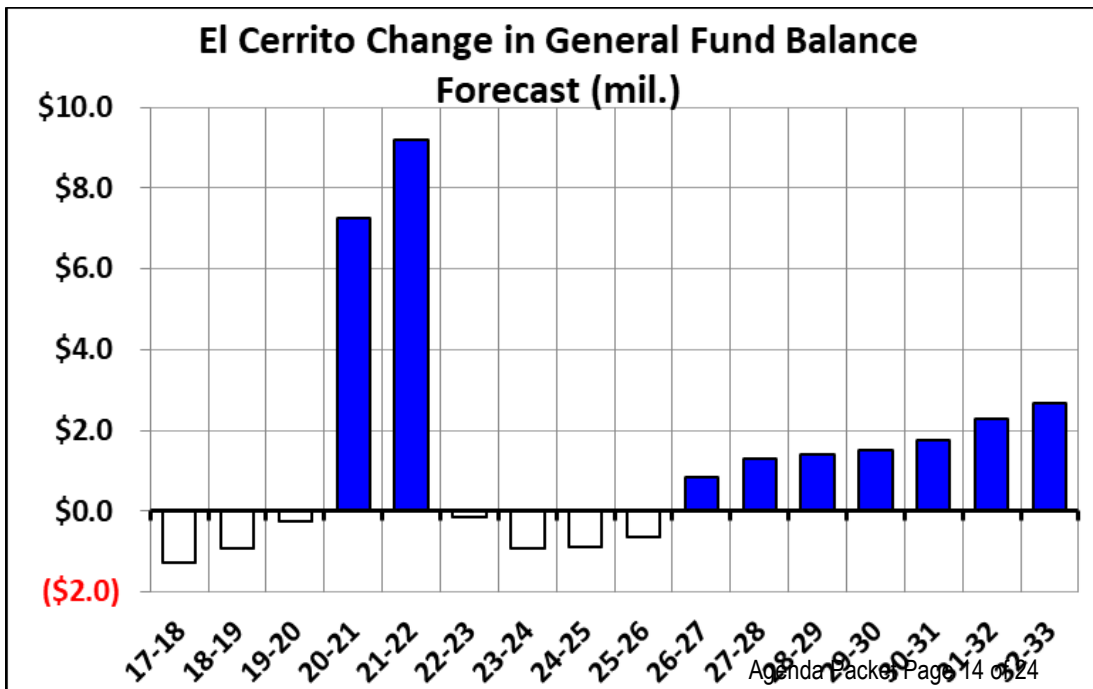
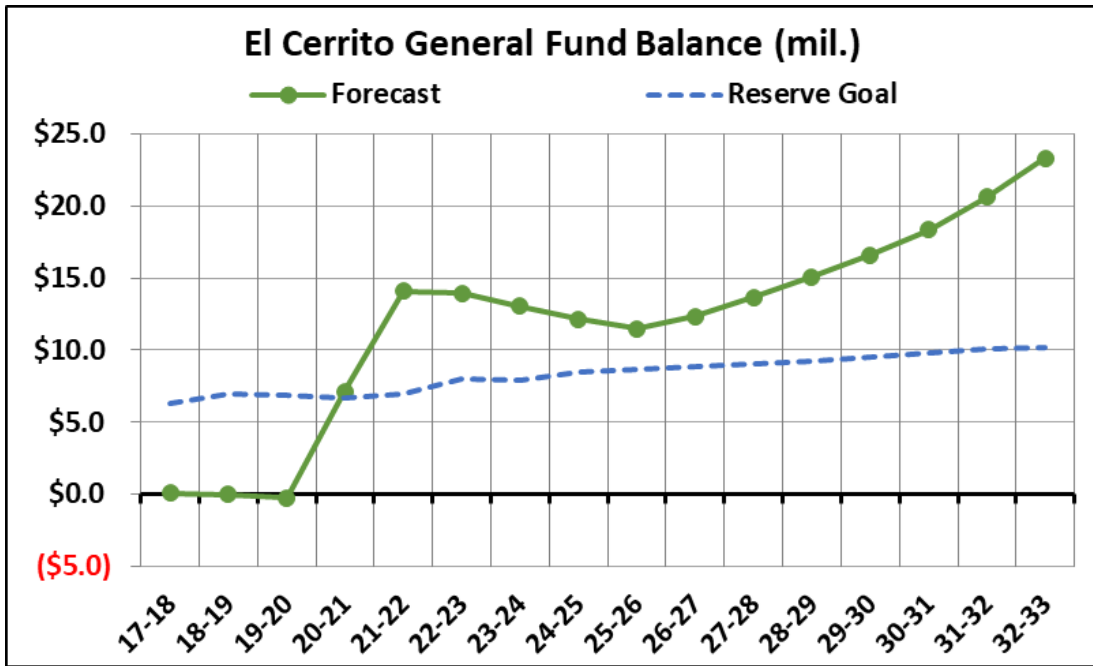
as of Fiscal Year Ended June 30, 2022

## Audit Results – “Clean” Audit

- ▶ No Exceptions in Audit Opinions
- ▶ No Material Weaknesses
- ▶ No Disagreements with Management
- ▶ No Significant Passed on Adjustments

## Financial Position

- ▶ General Fund Reserve Balance: \$16,624,174
  - ▶ FY 2021-22 Surplus: \$9,480,912
    - ▶ ARPA: \$3.01 million
  - ▶ Represents 35% of General Fund Expenditures



### Assumptions/Data:

- ▶ FY 2021-22 actual revenues and expenditures
- ▶ FY 2022-23 approved revenues and expenditures
- ▶ Pension estimated at \$9.9 million for FY 2023-24 compared to budget of \$8.3 million for FY 2022-23
- ▶ FY 2026-27 property tax revenues increase by \$1.2 million due to the end of the Successor Agency
- ▶ Personnel increases by 4.5% in FY 2023-24 then settles at a 3% annual increase
- ▶ Healthcare costs increase by 10% in FY 2023-24 then settles at a 5% annual increase
- ▶ All other non-personnel line items increase 5% for FY 2024, 4% for FY 2023 and 3% ongoing
- ▶ Includes one-time revenues of \$876,621 and ongoing revenues of \$398,500
- ▶ Includes one-time expenditures of \$1,789,240 and ongoing expenditures of \$391,792

# State Auditor Report Update

## High Risk Areas:

- ▶ Continual diminishing of financial reserves through overspending - Status: Partially Addressed
  - ▶ Corrective Action: Monitor revenues, reduce expenditures, and prioritize increasing General Fund reserves
- ▶ Ineffective budget development and monitoring practices - Status: **Addressed**
  - ▶ Corrective Action: Implement stricter budget policies and procedures and increased focus on departmental budgets - Completed
- ▶ Lack of a formal financial recovery plan - Status: **Addressed**
  - ▶ Corrective Action: Develop Fiscal Recovery Plan to achieve financial sustainability – Completed
- ▶ Insufficient reductions in ongoing costs - Status: Pending
  - ▶ Corrective Action: Monitor personnel expenditures, work with employee bargaining units, ensure appropriate compensation
- ▶ Missed opportunities to increase revenue - Status: Partially Addressed
  - ▶ Corrective Action: Review all opportunities to increase cost recovery

Statewide Ranking (as of FY 2020-21): #13 – Medium Risk  
(Previous Year: #6 – High Risk)

[www.el-cerrito.org/1565/State-Auditors-Report](http://www.el-cerrito.org/1565/State-Auditors-Report)

# Next Steps

- ▶ City staff preparing budget for all funds and departments
- ▶ **April 25, 2023:** Financial Advisory Board meeting
- ▶ **May 2, 2023:** City Council Budget discussion, Public Hearings for Master Fee Schedule and Assessments
- ▶ **May 9, 2023:** City Council Special Meeting: Departmental budget presentations
- ▶ **May 16, 2023:** Third Quarter General Fund Update
- ▶ **May 23, 2023:** Financial Advisory Board meeting
- ▶ **June 6 and June 20, 2023:** City Council Budget hearings
  - ▶ Additional meetings as needed TBD
- ▶ Adopt FY 2023-24 budget prior to **June 30, 2023**

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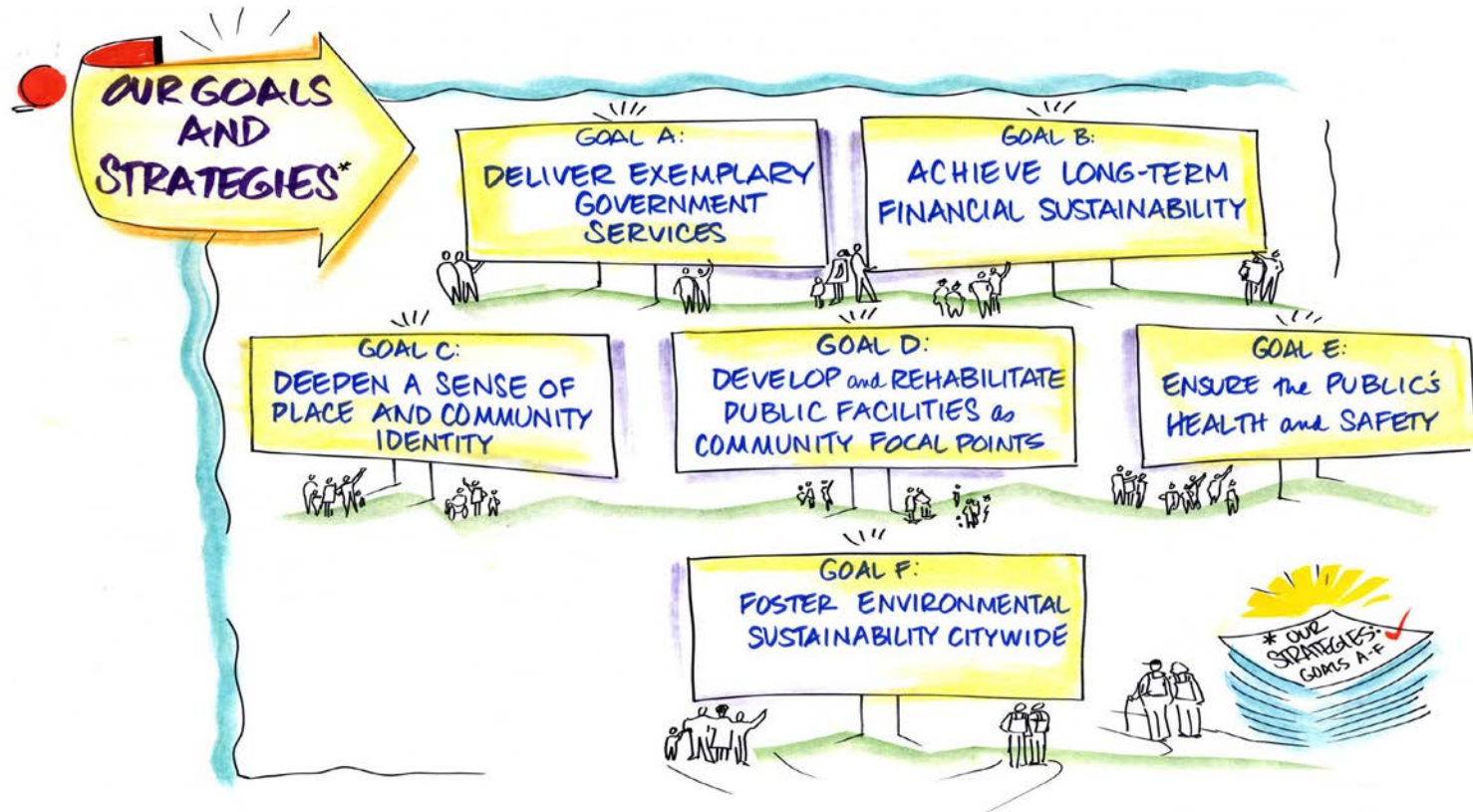


# Questions and Answers

# Feedback and Input

[www.polco.us/sw4ws5](http://www.polco.us/sw4ws5)

# El Cerrito Strategic Plan



# Services Provided by the City

## Community Development Programs

- Current & Advance Planning
- Building Inspection
- Code Enforcement
- Development Plan Check
- Housing Programs
- Economic Development

## Public Works Programs

- Engineering
- Facilities
- Integrated Waste Management
- Recycling
- Road Maintenance
- Landscape Maintenance

## Administrative Programs

- Finance
- Human Resources
- Information Technology
- Legislative Support
- Records Administration
- Public Information

## Police Programs

- Patrol
- Investigations
- Special Operations
- Traffic Enforcement
- Crime Prevention

## Fire Programs

- Fire Response
- Medical Response
- Vegetation Management
- Prevention and Education

## Recreation Programs

- Aquatics
- Child Care
- Enrichment Programs and Camps
- Senior Services
- Special Events
- Custodial Services

Question  
#1:

WHAT WOULD  
YOU LIKE THE CITY  
OF EL CERRITO TO  
PRIORITIZE IN THE  
CITY'S BUDGET  
FOR FISCAL YEAR  
2023-2024?

# Question #2:

WHAT SERVICES  
ARE NECESSARY  
FOR THE CITY TO  
PROVIDE AND  
WHAT SERVICES  
COULD THE CITY  
STOP DOING?

# Question #3:

WHAT ARE YOUR  
IDEAS FOR HOW THE  
CITY CAN MAINTAIN  
A HEALTHY AND  
SUSTAINABLE  
BUDGET, WHILE  
PROVIDING THE  
SERVICES THAT OUR  
RESIDENTS AND  
BUSINESSES DESIRE  
MOST?

# THANK YOU!

[www.el-cerrito.org/annualbudgetprocess](http://www.el-cerrito.org/annualbudgetprocess)

