



AGENDA

REGULAR MEETING OF THE CITIZENS STREET OVERSIGHT COMMITTEE

Monday, September 25th, 2023, 7:00 p.m.

Hana Gardens Senior Apartments
10860 San Pablo Ave, El Cerrito, CA 94530

This Meeting Place is Wheelchair Accessible

Staff Liaison
Public Works Department
Yvetteh Ortiz | (510) 215-4382
yortiz@ci.el-cerrito.ca.us

7:00PM CONVENE REGULAR MEETING

1. **ROLL CALL** – Chair Matthew Kelly; Committee Members Kathy Fleming, Vanessa Hill and Jia Ma
2. **ORAL COMMUNICATIONS FROM THE PUBLIC**
Remarks are typically limited to three minutes per person, and may be on anything within the subject matter jurisdiction of the body. Remarks on non-agenda items will be heard first, as well as introduction by individuals interested in serving on the advisory body. Remarks on agenda items will be heard at the time the item is discussed.
3. **APPROVAL OF MINUTES**
Action Requested: Review and pass a motion to approve minutes for the meeting of September 26, 2022 (Attachment)
4. **FISCAL YEAR 2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND AGREED UPON PROCEDURES REPORT (AUPR)**
Action Requested: Review the Fiscal Year 2021-22 ACFR as it pertains to Measure A Street Improvement Fund and the AUPR from the City's auditor; and pass a motion to approve the Fiscal Year 2021-22 Annual Report Memorandum to City Council (Attachments)
5. **STAFF LIASON REPORTS**
Action Requested: Receive Fiscal Year 2023-24 Expenditure Plan adopted by City Council in June 2023 (Attachment)
6. **COMMITTEE STANDING RULES**
Action Requested: Review and discuss Standing Rules as adopted on September 28, 2020 (Attachment)
7. **ELECTION OF COMMITTEE OFFICERS**
Action Requested: Nominate and elect Committee Chair and Vice Chair (No Attachment)

8. COMMITTEE MEMBER ANNOUNCEMENTS, FUTURE AGENDA ITEMS AND MEETING SCHEDULE

Action Requested: Hear announcements from committee members and suggestions for future agenda items; and pass a motion to set agenda and date for next meeting (No Attachment)

9. ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Staff Liaison, (510) 215-4382. 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).

Any writings or documents provided to a majority of the members regarding any item on this agenda will be made available for public inspection at City Hall, Public Works Department during normal business hours.



Draft Minutes

REGULAR MEETING OF THE CITIZENS STREET OVERSIGHT COMMITTEE

Monday, September 26, 2022, 7:00 p.m.

Staff Liaison

Public Works Department
Yvetteh Ortiz | (510) 215-4382
yortiz@ci.el-cerrito.ca.us

VIA ZOOM:

This advisory body is currently meeting by teleconference, consistent with the Brown Act as amended by AB 361 (2021). Under the amended rules, teleconference restrictions of the Brown Act are suspended and the City will not provide a physical location for members of the public to participate in the teleconference meeting.

Any person wishing to speak to the Citizens Street Oversight Committee on any of these matters is invited to participate via teleconference as described above.

The City encourages submission of written comments in advance to the Citizens Street Oversight Committee via email to yortiz@ci.el-cerrito.ca.us prior to the meeting or by contacting the staff liaison listed above.

CONVENE REGULAR MEETING

Chair Matthew Kelly called the meeting to order at 7:01 p.m.

1. ROLL CALL

Present: Chair Matthew Kelly; Vice-Chair Prachi Amin; Committee Members Kathy Fleming, Vanessa Hill, and Jia Ma

Absent: None

Also, Present: Staff Liaison Yvetteh Ortiz

2. ORAL COMMUNICATIONS FROM THE PUBLIC

Remarks are typically limited to three minutes per person and may be on anything within the subject matter jurisdiction of the body. Remarks on non-agenda items will be heard first, as well as introduction by individuals interested in serving on the advisory body. Remarks on agenda items will be heard at the time the item is discussed.

None. No members of the public attended the meeting.

3. APPROVAL OF MINUTES

Action Requested: Review and pass a motion to approve minutes for the meeting of June 23, 2022

Moved/Second: Committee Member Hill/Vice-Chair Amin

Action: Passed a motion to approve the minutes for the Committee meeting of June 23, 2022

Ayes: Chair Hill; and Committee Members Alen and Fleming **Noes:** None
Abstain: Member Fleming **Absent:** None

4. FISCAL YEAR 2021-22 REVENUES & EXPENDITURES

Action Requested: Review and discuss list of preliminary/unaudited financial activity for Fiscal Year 2021-22

Staff Liaison Ortiz presented a summary and detailed listing of unaudited revenues and expenditures shown in attachment for the Agenda item. She compared budgeted and actual numbers. She indicated that revenues consist of Measure A sales tax and fees paid for street restoration, and expenditures are for debt service, legal and financial expenses, City personnel expenses not related to capital projects, and capital projects. She also indicated that the fiscal year has not been fully closed out, including revenues that need to be booked and expense coding that needs to be corrected. She indicated that she would need to look into the expenses related to a new vendor under finance/administrative expenses. She answered questions about staff vacancies, cell phone reimbursements, how the moratorium restoration fee was set, planned improvements under the Richmond Street project, how the difference between budgeted and actual finance/administrative expenses should be addressed, and how the update to the pavement condition report would be used in planning future projects. She indicated that she would provide an encumbrance report at the next meet as previously requested by Committee Member Hill.

Vice-Chair Amin left the meeting around 7:38 p.m. due to internet connection problems.

5. STAFF LIASON REPORTS

Action Requested: Receive Fiscal Year 2022-23 Expenditure Plan adopted by City Council in June 2022

Staff Liaison Ortiz presented the Fiscal Year 2022-23 Expenditure Plan adopted by City Council in June 2022, as provided as an attachment to the Agenda item including the fund summary tables, department operating expenditures, and Capital Improvement Program.

She also provided an update on the status of the Slurry Seal Project.

6. COMMITTEE STANDING RULES

Action Requested: Review and discuss Standing Rules as adopted on September 28, 2020

Staff Liaison Ortiz provided background on the Standing Rules and reviewed changes made in September 28, 2020. Committee Members discussed regular meeting dates.

7. COMMITTEE MEMBER ANNOUNCEMENTS, FUTURE AGENDA ITEMS AND MEETING SCHEDULE

Action Requested: Hear announcements from committee members and suggestions for future agenda items; and pass a motion to set agenda and date for next meeting.

Staff Liaison Ortiz indicated that the next regular meeting is scheduled for the 2nd Monday in November (11/14/2022) and that the November meeting is typically cancelled if there are no pressing items. She indicated that this was likely the case again this year and recommended the November meeting be cancelled.

Committee members requested that Staff Liaison Ortiz check in with Chair Kelly closer to the November meeting date in case any issues or items needing attention arose.

Staff Liaison Ortiz indicated that the October 4, 2022 City Council meeting had been cancelled so the FY 2020-21 report would need to be presented at the October 18, 2022 meeting instead.

8. ADJOURNMENT The meeting adjourned at 8:11 p.m.

Matthew Kelly, Chair

This is to certify that the foregoing is a true and correct copy of the minutes of the Regular Meeting of the Citizens Street Oversight Committee meeting of September 26, 2022 approved by the Citizens Street Oversight Committee

Yvetteh Ortiz, Staff Liaison

These are excerpts from the Annual Comprehensive Financial Report. The full report is available for review on the City's website at: <https://www.el-cerrito.org/DocumentCenter/View/19355/City-of-El-Cerrito-Annual-Comprehensive-Financial-Report-ACFR-2022>



El Cerrito, California

Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2022

City Council

- Gabe Quinto Mayor
- Lisa Motoyama Mayor Pro Tem
- Janet Abelson Council Member
- Paul Fadelli Council Member
- Tessa Rudnick Council Member

Presented by:
Karen Pinkos, City Manager
Sandra Dalida, Finance Director/City Treasurer

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INTRODUCTORY SECTION

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CITY OF EL CERRITO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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The ACFR is organized into three sections:

1. The Introductory Section is intended to familiarize the reader with the organizational structure of the City, the nature and scope of the services it provides, and the specifics of its legal operating environment.
2. The Financial Section includes the independent auditor's report on the basic financial statements, MD&A, audited basic financial statements, note disclosures and supporting statements, and schedules necessary to provide readers with a comprehensive understanding of the county's financial activities of the past fiscal year.
3. The Statistical Section provides the reader with additional historic perspective, context, and detail to assist in using the information in the financial statements. It provides information in five categories: financial trends; revenue capacity; debt capacity; demographic and economic information; and operating indicators.

CITY PROFILE

The City of El Cerrito, incorporated in 1917 under the general laws of the State of California, is located in Contra Costa County in the San Francisco Bay Area. The City encompasses approximately 3.7 square miles and the current population¹ is 25,845. 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 County 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).

REPORTING ENTITY

The City operates under the Council-Manager form of government. The City Council is comprised of five members elected at-large and serve four-year terms. The terms are staggered in alternating even years. There are no term limits. Annually, the City Council votes to appoint a Mayor and a Mayor Pro Tem from among its members.²

City Council determines the policies of the city government and appoints the City Manager and City Attorney and has general responsibility for effective administrative actions through the City Manager. The Council is responsible for, among other things, passing ordinances, adopting the budget, appointing advisory boards, committees, and commissions. Also, the City Council members serve as the separate Board of Directors for City of El Cerrito Employees' Pension Plan, the Municipal Services Corporation, and the El Cerrito Public Financing Authority. The City serves as the reporting body for these entities and is financially accountable, as City staff have operational responsibility for the activities of each entity. These entities are included in the City's financial statements as part of the reporting entity.

In addition, City Council appoints residents to serve on City Boards, Commissions, and Committees (advisory bodies). Boards and Commissions are directly responsible to the City Council and fill advisory

¹ State of California, Department of Finance, E-1 Population Estimates for Cities. Sacramento, California, May 2022.

² City of El Cerrito Candidate Instructional Guide: Running for Elective Office, November 2022.

and/or quasi-judicial roles. Commissions are composed of lay residents while members for Boards are selected for their special expertise. Committees sponsored by the City are intended to be working groups and do not fill quasi-judicial roles. The advisory bodies include:

Arts & Culture Commission
Citizens Street Oversight Committee
Civil Service Commission
Committee on Aging
Crime Prevention Committee
Design Review Board
Economic Development Committee

Environmental Quality Committee
Financial Advisory Board
Human Relations Commission
Park & Recreation Commission
Planning Commission
Urban Forest Committee

CITY SERVICES

The City is a full-service municipality and 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 building, and infrastructure, and operation of a state-of-the art Recycling Center.

ECONOMIC CONDITIONS AND OUTLOOK

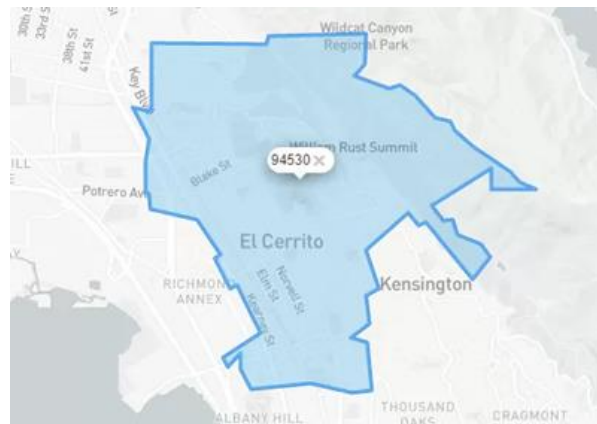
The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the City operates.

In FY 2022, City management continued its focus on fiscal sustainability and rebuilding program services and activities impacted by the COVID-19 pandemic and the State’s declaration of a state of emergency on March 5, 2020, that remained in effect during FY 2022 (scheduled end on February 28, 2023).

Local Economy

Although many industries experienced economic declines during the “remain-at-home” periods of the COVID-19 pandemic, the San Francisco Bay Area did not experience the same level of economic slowdown which occurred in other areas of the State.

In FY 2022, the San Francisco Bay Area led the country in economic growth, with a 4.8% increase in GDP, according to the economic reports by: Kenan Institute of Private Enterprise, affiliated with the University of North Carolina at Chapel Hill and the Annual Economic Forecast, Bank of America.



Despite the COVID-19 pandemic and state of emergency throughout FY 2022, El Cerrito’s diversified and resilient revenue base remained strong and exceeded the prior fiscal year’s results.

FUND 101 - GENERAL FUND REVENUE CATEGORY	FY 2021-22				FY 2020-21
	ADOPTED BUDGET	UNAUDITED			AUDITED
		YEAR END	VARIANCE	% OF BUDGET	TOTAL
Property and Other Taxes	\$ 26,031,617.00	\$ 29,117,344.81	\$ (2,285,727.81)	109%	28,623,366.40
Licenses & Permits	\$ 636,112.00	\$ 1,440,973.02	\$ (304,861.02)	127%	656,880.55
Fines & Forfeitures	\$ 140,000.00	\$ 152,343.27	\$ (12,343.27)	109%	177,524.54
Use of Money and Property	\$ 353,968.00	\$ 432,308.94	\$ (78,340.94)	122%	333,800.55
Intergovernmental Revenues	\$ 7,312,900.00	\$ 8,007,682.85	\$ (198,782.85)	103%	8,164,611.70
Charges for Services	\$ 4,800,000.00	\$ 6,427,398.28	\$ (944,398.28)	117%	4,181,217.93
Other Revenue	\$ 175,000.00	\$ 497,709.82	\$ (322,709.82)	284%	238,711.83
Other Financing Sources	\$ 952,650.00	\$ 4,203,600.69	\$ (3,250,950.69)	441%	3,989,600.00
TOTAL	\$ 40,402,247.00	\$ 50,279,361.68	\$ (7,398,114.68)	117%	46,365,713.50

However, remaining mindful of the forecasted California economic trends including signs of labor market weakness developing in 2023, job growth downshifts below the U.S. average to 1.8% annualized in November 2022, and the slight increase in the State’s unemployment rate for the past two consecutive months. Additionally, housing market dips in California’s existing home sales with the biggest year-on-year drop in California home sales in the past four decades, declines in housing starts and the resulting flattening of home prices as mortgage rates rise, and other cost factors contributing to workers migrating out of the State and the resulting slowing of population growth.³

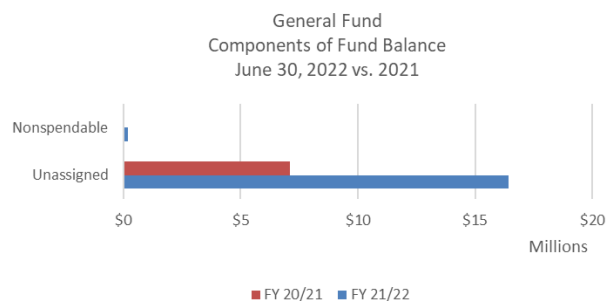
Despite these possible economic impacts, San Francisco Bay Area and El Cerrito are somewhat better positioned to withstand economic down trends due to its diversified revenue sources and the City’s continued prudent fiscal management strategies and increased General Fund Reserves.

EXECUTIVE FINANCIAL OVERVIEW

This top-level overview is presented as a supplement to the more detailed and comprehensive analysis presented in the MD&A. As such, it serves to highlight key financial performance indicators for our major funds. Please review the MD&A for further analysis of the City’s financial condition.

General Fund

The General Fund is the primary operating fund of the City of El Cerrito. The City’s General Fund revenues are diversified and resilient with strong performance in tax revenues, licenses and permits, and charges for services. The General Fund balance increased by approximately \$9.5 million from the prior year. The total General Fund balance is \$16.6 million and represents approximately 41% of total General Fund expenditures.



³ California Economic Outlook Report, December 2022, Scott Anderson, Chief Economist, Bank of the West

MAJOR INITIATIVES AND ACCOMPLISHMENTS

- Sustained Citywide service delivery during the continuing COVID-19 pandemic despite significant expenditure and staff reductions.
- Continued implementation of the Fiscal Response Plan including controlling and reducing expenditures and ensuring achievable revenue projections aligned with the City Comprehensive Financial Policy for a general fund annual operating reserve of 10% in each fiscal year.
- Secured \$26 million Affordable Housing Sustainable Communities (AHSC) grant for development of Mayfair Affordable.
- Advanced production of housing and new business openings through issuing certificates of occupancy for: El Dorado Townhomes (29) units, Credence (32) units), Mayfair (156 units), Foot Locker/Kids Foot Locker and Harbor Freight and Tools.
- The City's Insurance Service Office (ISO) rating increased to Class 1, the highest rating possible, placing the El Cerrito/Kensington Fire Department in the top 1% rating of fire departments nationwide.
- Completed Capital Improvement Projects including 2021 Slurry Seal, 2021 Sidewalk Repairs, San Pablo Avenue & Wall Avenue Crosswalk Safety Improvements, Central Avenue and San Diego Street Pedestrian Crossing Improvements, Gladys-El Dorado-B Street Improvements and San Pablo Avenue Stormwater Spine Project.
- Recreation Department, as COVID-19 restrictions were reduced, quickly transitioned to pre-pandemic activities and services. Participation in programs increased including after-school childcare and enrichment programs, in-person group activities for all ages, drop-in aquatics programs, and senior fitness programs and support services. The Easy Ride paratransit program was relocated to the Community Center.

FINANCIAL INFORMATION

Budgeting Controls

The City of El Cerrito operates on an annual budget schedule and maintains budgetary controls to ensure compliance with legal provision 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 Propriety Funds are included in the annual appropriated budget. The level of budgetary control (level at which expenditures cannot legally exceed the appropriate amount) is at the fund level.

City Departments use the goals outlined in the Strategic Plan, as well as feedback gained from the community, to inform the development of their departmental budgets for the next fiscal year. In order to best determine the resources to allocate to the goals and strategies in the Strategic Plan, the departments review information to align programs and services to the Strategic Plan goals.

Each department evaluated their programs and services and analyzed related data to determine a baseline amount of resources to allocate to expenses that meet the goals of the Strategic Plan. The departments considered several data sets, including personnel necessary to provide the program or service, additional costs (i.e., consultants, contractors, supplies and equipment and other purchased services), and whether the program or service is required by law or City policy. Departments were realistic about the objectives that could be achieved in the fiscal year and set priorities to allocate resources accordingly.

The Finance Department, in coordination with the applicable operating departments, provides the City Manager with proposed revenue projections. These revenue estimates are reviewed with the department budget requests to determine available funding levels for the fiscal year. Supplemental budget requests (new personnel, services, or equipment) are subject to City Manager review and approval for including the proposed operating budget. This process applies to all governmental and enterprise funds. The City Manager and Finance Director meet with the departments to review all operating expenditures and budget change requests. After final review and approval by the City Manager, the proposed budget document is presented to the City Council in May. The budget is adopted by resolution prior to June 30.

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 approves various supplemental appropriations during the year as necessary to meet the City's needs. 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.

Accounting System

The City's accounting and budgeting records for general government operations are recorded on a modified accrual basis, with revenues being recognized when available and measurable, and expenditures being recorded when the service or goods are received, or liabilities are incurred. Accounting and budgeting for the City's proprietary funds are maintained on an 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 designed to provide reasonable assurance that the City's assets are protected from loss, theft, or misuse. Also, internal controls ensure adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. 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.

Financial Policies

In September 2022, City Council approved amendments to the City Comprehensive Financial Policy, dated May 21, 2019. The financial policies are designed to promote sound financial management and ensure that the City's fiscal integrity remains intact as staff and Council Members change. The City Comprehensive Financial Policy is reviewed by the Financial Advisory Board and recommended amendments are advanced through the City Manager and Finance Director to City Council for adoption.

Additionally, the City Comprehensive Financial Policy, in accordance with GASB pronouncements, includes a General Fund Reserve policy, Emergency and Disaster Recovery Fund policy, Long-Term Financial Planning and Budget policies, Debt policies and other operational policies to serve as guidelines for operational and strategic decision making related to financial matters.

OTHER INFORMATION

Independent Audit

The City of El Cerrito selects an independent certified public accounting firm to perform a required annual audit of the City's financial records and transactions. The annual audit is required through covenants related to the City's bonded indebtedness. The City has contract with Chavan & Associates, LLC., 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 through the efforts and teamwork of the dedicated Finance staff. Special thanks and acknowledgement to temporary and regular staff who have contributed significantly to completing the ACFR including Maggie Huang, Amanda Breese, Yoko Nunokawa, and Alan Chiu. Appreciation and acknowledgement are also extended to City Department representatives for their support and collaboration throughout the duration of the audit. In addition, we extend a special thank you to Chavan & Associates, LLP for their professionalism and diligence in assisting in the preparation of this financial report.



Karen Pinkos, City Manager



Sandra Dalida, Finance Director
& City Treasurer

CITY OF EL CERRITO

**ELECTED OFFICIALS
AND
ADMINISTRATIVE PERSONNEL**

as of June 30, 2022

ELECTED OFFICIALS - CITY COUNCIL

Mayor	Gabe Qunito
Mayor Pro Tem	Lisa Motoyama
Council Member	Janet Abelson
Council Member	Paul Fadelli
Council Member	Tessa Rudnick

ADMINISTRATIVE PERSONNEL - CITY STAFF

City Manager	Karen Pinkos
Assistant City Manager	Alexandra Orologas
Chief of Police	Paul Keith
Fire Chief	Eric Saylor
Community Development Director	Melanie Mintz
Finance Director/City Treasurer	Sandra Dalida
Public Works Director/City Engineer	Yvetteh Ortiz
Recreation Director	Chris Jones
City Clerk	Holly Charley

CITY ATTORNEY

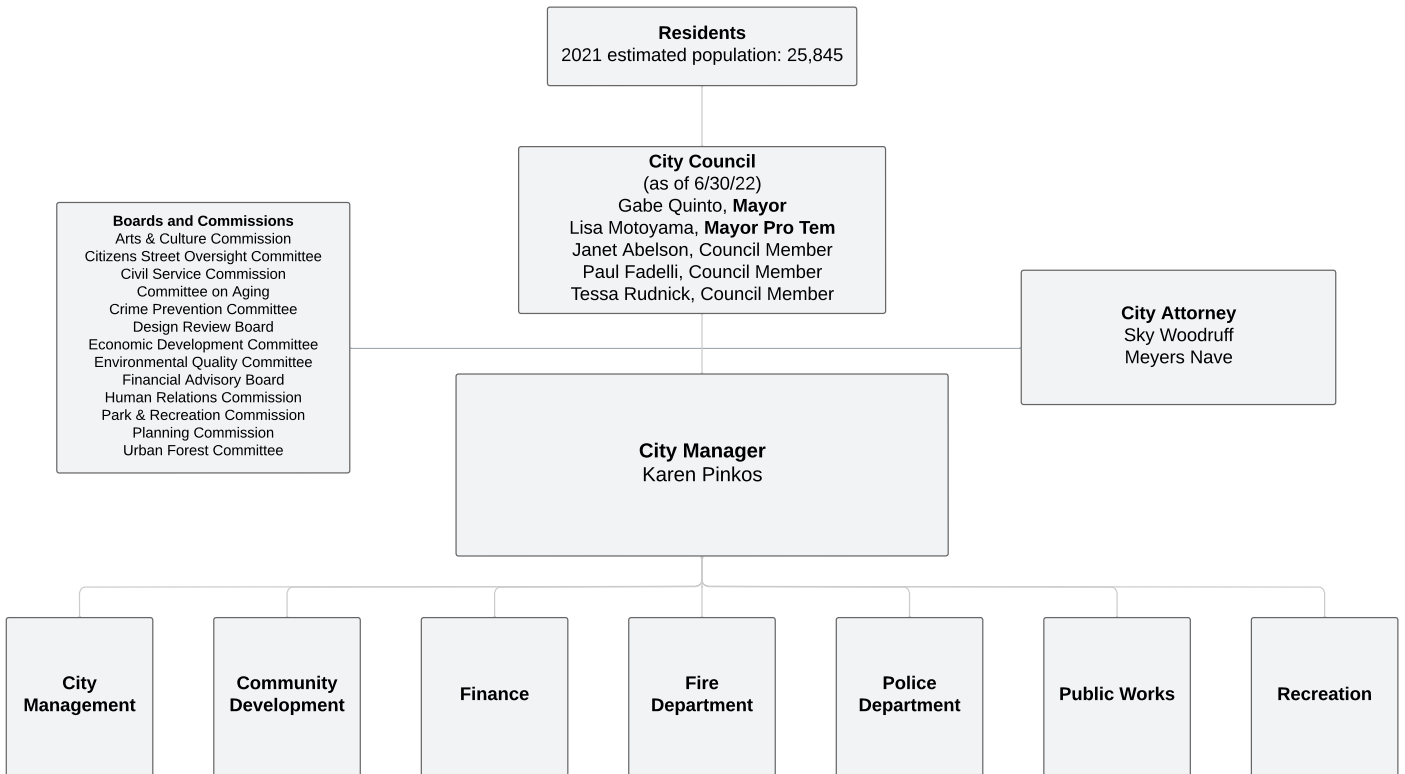
Sky Woodruff

INDEPENDENT AUDITORS

Chavan & Associates, LLP Certified Public Accountants



City of El Cerrito Organizational Chart



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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, business-type activities, each major fund, and the aggregate remaining fund information of the City of El Cerrito (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of El Cerrito, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

During the year, the City implemented GASB Statement No. 87, *Leases*. As a result, the City recorded right of use assets of \$257,451, net of accumulated amortization, and lease liability of \$225,680, increasing beginning fund balance and net position by \$31,771. See note 1 for additional information. Also, the City changed its OPEB plan benefit terms which resulted in an increase to beginning net position of \$3,699,945. See note 12 for additional information. Our opinion was not modified for these matters.

Responsibilities of Management for the Financial Statements

City management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAGAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and other required supplementary information, as listed in the table of contents, 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.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining individual non-major fund statements, supplementary budgetary comparison schedules, and statistical data, are presented for purposes of additional analysis and are not a required part of the 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, combining and individual nonmajor fund financial statements and comparative schedules for enterprise funds are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, supplemental budgetary 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 March 14, 2023 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.

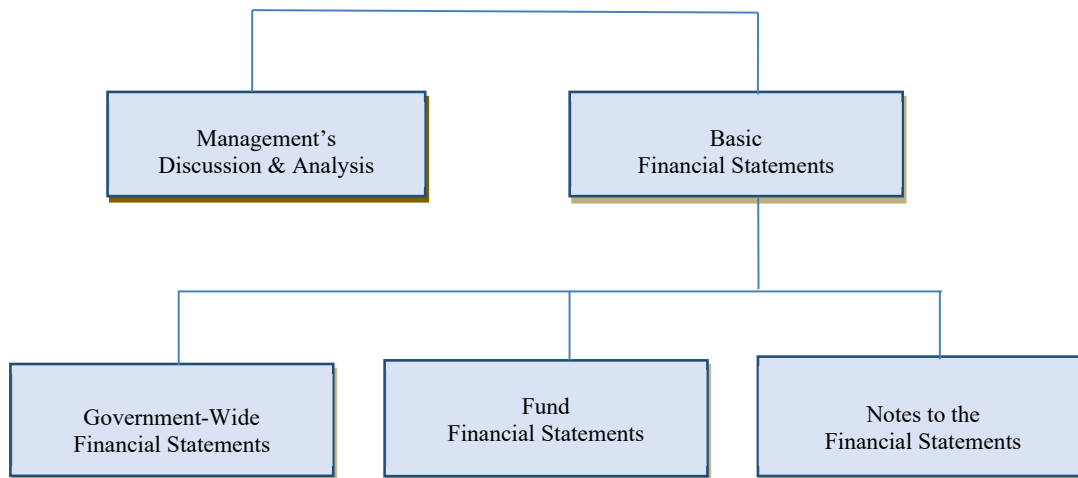
C & A LLP

Chavan & Associates, LLP
Certified Public Accountants
March 14, 2023
Morgan Hill, California

INTRODUCTION

As management of the City of El Cerrito, we offer readers of the City’s financial statements this narrative overview and analysis of financial activities of the City of El Cerrito, for the fiscal year that ended on June 30, 2022. We encourage readers to consider the information presented here, in conjunction with additional information in our letter of transmittal. This information can be found on page 1 of this report. The required components of the report are listed below.

Required Components of the Annual Financial Report



FISCAL YEAR 2021/22 FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- The assets and deferred outflows of resources for the City of El Cerrito exceeded the liabilities at the close of the most recent fiscal year by \$19.47 million (net position). Of the net position, \$54.74 million was classified as net investment in capital assets; \$16.03 million recorded as restricted funds; and \$51.3 million categorized as a deficit unrestricted net position (negative net position). The negative unrestricted net position is largely due to GASB 68 – Accounting and Financial Reporting for Pensions. This pronouncement requires local governments to record pension liabilities and related deferrals in the government-wide financial statements.
- The City’s net position increased by \$2.68 million. This included a 1.56 million increase in the net position of Governmental Activities and a \$1.12 million increase in the net position of Business-Type Activities.
- City revenues increased by \$3.53 million, or 6%, when compared to the prior year. The Fiscal Year 21/22 amounts included \$1.28 million in grants for a capital projects and \$4.8 million in operating grants.

- Deferred outflows of resources decreased by \$442,359, while deferred inflows of resources increased by \$33.77 million. This was primarily related to pension liability adjustments identified in the City's actuarial report, which include differences between expected and actual earnings; expected and actual experiences; and changes in proportional allocations. The City's pension liability in accordance with GASB 68 as of June 30, 2022 was \$48.95 million as compared to \$70.37 million in the prior year, while the total OPEB liability for the fiscal year ending June 30, 2022 was zero million compared to \$4.89 million in the prior year. The City changed the terms of its OPEB plan as of January 2, 2021, which removed the implied subsidy previously included in the plan and thus removing the City's obligation. Beginning net position was increase by \$3.7 million to account for the changes in the OPEB plan.
- The City's long-term debt increased by \$503,077 as a result of new lease obligations and financed purchases, net of debt service payments made during the year.
- The City's net capital assets decreased by \$1.33 million, primarily from a \$2.4 million increase to construction in progress net of an increase to accumulated depreciation and amortization of \$4.37 million.

Fund Highlights

- At the close of Fiscal Year 21/22 the City of El Cerrito's *Governmental Funds* reported a combined fund balance of \$31.5 million, which is an increase of \$9.6 from prior year. Approximately 52%, or \$16.3, million was classified as unassigned fund balance and was available for spending at the government's discretion.
- At the end of the current fiscal year, the *General Fund's* unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) was \$16.4 million, or 41% of total general fund expenditures, prior to transfers.
- The fund balance in the *General Fund* increased by \$7.14 million at the close of the fiscal year. This included an excess of operating revenues over expenditures of \$6.8 million, plus \$2.67 million in net transfers.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City of El Cerrito's financial statements. The City of El Cerrito's basic financial statements are comprised of (1) Government-Wide Financial Statements (2) Fund Financial Statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City of El Cerrito's finances, in a manner similar to a private-sector business. Government-Wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole. Government-Wide Financial Statements consist of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* presents financial information on all of the City of El Cerrito's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 of El Cerrito is improving or declining.

The *Statement of Activities* presents information showing how the City of El Cerrito'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. This is consistent with a full accrual concept, which may result in the reporting of revenues and expenses in the current fiscal year, with cash flows occurring in future fiscal periods (e.g. uncollected revenues; and earned but not used vacation leave).

Both of the Government-Wide Financial Statements distinguish functions of the City of El Cerrito 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*). An overview of the City's functions associated with each classification is listed below.

Governmental Activities – All of the City's basic services are considered to be governmental activities. This includes general government, public works, recreation, community development, and public safety. These services are supported by general City revenues such as taxes, and by specific program revenues such as development and recreation program fees.

Business-Type Activities – This City's enterprise activities include integrated waste management. Unlike governmental activities, these services are fully supported by charges paid by users based on the amount of services they use.

The Government-Wide Financial Statements can be found on page 33 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund financial statements provide detailed information about each of the City's most significant funds, called major funds. Major funds are presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the City for the fiscal year, and may change from year to year as a result of changes in the pattern of the City's activities. The City's funds are segregated into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This represents a modified accrual basis of accounting, with capital assets, long-lived assets, and long-term liabilities excluded from the financial statements. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and other major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of El Cerrito adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on page 36 of this report.

Proprietary Funds

The City of El Cerrito has the following four *Enterprise Funds* which are proprietary funds: Integrated waste management. *Enterprise funds* provide the same type of information as business-type activities in the government-wide statements. *Internal service funds* are an accounting mechanism used to accumulate and allocate costs internally among the City of El Cerrito's various functions. The City uses one internal service fund to account for the management of its vehicle and equipment replacement. Because these internal services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the Government-Wide Financial Statements.

Proprietary funds provide the same type of information as the Government-Wide Financial Statements,

only in more detail. The proprietary fund financial statements provide separate information for the waste management operations, which is considered major fund for the City of El Cerrito. The basic proprietary fund financial statements can be found on page 42 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reported in the Government-Wide Financial Statements because the resources of these funds are not available to support the City of El Cerrito's own programs. The accounting for fiduciary funds is much like that used for business-type activities. The City had two fiduciary funds during Fiscal Year, the pension trust fund and the El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust Fund.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The notes can be found immediately following the Fund Financial Statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City of El Cerrito's funding progress for its employee pension obligations. The required supplementary information can be found on page 87 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the *required supplementary information*. Combining and individual fund statements and schedules can be found on page 97 of this report.

A statistical section provides historical and current data on financial trends, revenue and debt capacity, demographic and economic information, and operating information. This information can be found on page 127 of this document.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, net position may serve as an indicator of a government's financial position. In the case of the City of El Cerrito, assets and deferred outflows of resources exceeded liabilities by \$19.47 million at the close of Fiscal Year 21/22. This represents an increase of \$2.67 million over the prior year.

The following table summarizes the City's ending net position:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 45,670,957	\$ 35,330,639	\$ 2,757,615	\$ 1,264,886	\$ 48,428,572	\$ 36,595,525
Capital assets	68,350,671	69,550,312	3,132,279	3,259,269	71,482,950	72,809,581
Total Assets	\$ 114,021,628	\$ 104,880,951	\$ 5,889,894	\$ 4,524,155	\$ 119,911,522	\$ 109,405,106
Deferred Outflows of Resources	\$ 16,320,158	\$ 16,717,937	\$ -	\$ 44,580	\$ 16,320,158	\$ 16,762,517
Liabilities						
Current and other liabilities	\$ 14,668,684	\$ 15,021,659	\$ 658,774	\$ 511,194	\$ 15,327,458	\$ 15,532,853
Noncurrent liabilities	65,275,917	91,512,513	1,352,841	1,298,198	66,628,758	92,810,711
Total Liabilities	\$ 79,944,601	\$ 106,534,172	\$ 2,011,615	\$ 1,809,392	\$ 81,956,216	\$ 108,343,564
Deferred Inflows of Resources	\$ 34,808,663	\$ 1,034,151	\$ -	\$ -	\$ 34,808,663	\$ 1,034,151
Net Position						
Net investment in capital assets	\$ 53,377,263	\$ 53,652,456	\$ 1,363,893	\$ 1,679,420	\$ 54,741,156	\$ 55,331,876
Restricted	16,029,304	15,859,381	-	-	16,029,304	15,859,381
Unrestricted	(53,818,045)	(55,481,272)	2,514,386	1,079,923	(51,303,659)	(54,401,349)
Total Net Position	\$ 15,588,522	\$ 14,030,565	\$ 3,878,279	\$ 2,759,343	\$ 19,466,801	\$ 16,789,908

A significant portion, or \$53.38 million, of the City's net position reflects its investment in capital assets, (e.g., land, buildings, general government infrastructure, equipment, etc.), less accumulated depreciation/amortization and any outstanding debt that was used to acquire or construct those assets. Capital assets represent infrastructure which provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities.

The \$16.03 million amount classified as Restricted Net Position represents resources that are subject to external restrictions on how they may be used. These funds are restricted for governmental activities.

The remaining deficit balance of \$51.3 million is classified as unrestricted. This negative unrestricted balance is largely due to *GASB 68 – Accounting and Financial Reporting for Pensions*. The City participates in the CalPERS Miscellaneous and Safety pension plans. This pronouncement requires that local governments report a proportional share of their pension plan's net pension liabilities on financial statements. In Fiscal Year 21/22, the City's proportionate share of the CalPERS pension liability was \$48.95 million.

At the end of the current fiscal year, the City of El Cerrito is able to report a positive balance for the government as a whole.

Governmental and Business-Type Activities

As shown in the *Statement of Changes in Net Position* schedule, the net position for Governmental Activities increased by \$1.56 million in the prior year mostly because of increases to charges for services and the adjustment to beginning net position to remove OPEB of \$3.7 million.

The net position for business-type activities increased by \$1.12 million largely due to increases in charges for services and operating grants, while operating expenses continue to be well below revenues. An analysis of the changes in revenues and expenses by type of significant events follows:

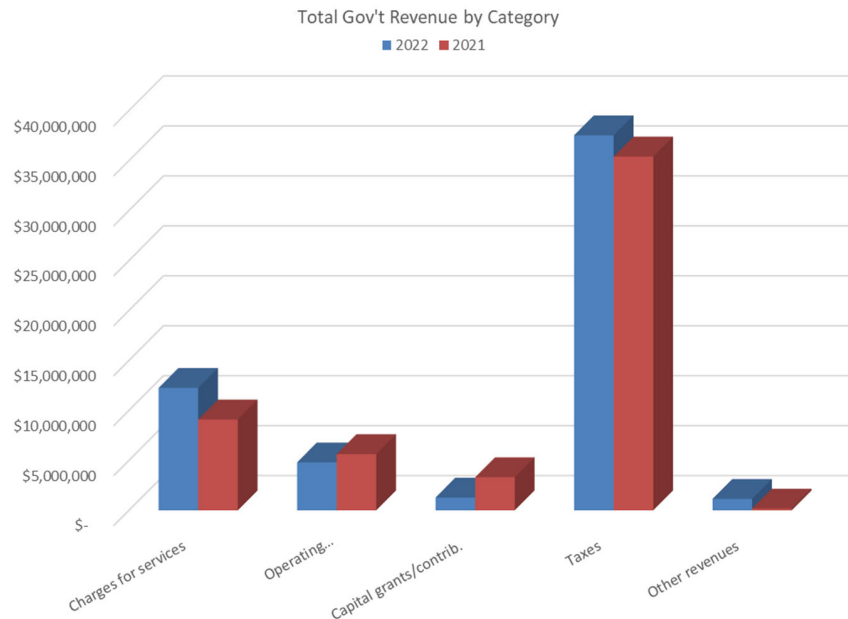
Table 2 - Statement of Changes in Net Position

Functions/Programs	Governmental Activities		Increase (Decrease)	Business-Type Activities		Increase (Decrease)
	2022	2021		2022	2021	
Program Revenues						
Charges for services	\$ 12,262,938	\$ 9,092,798	\$ 3,170,140	\$ 3,877,922	\$ 3,779,477	\$ 98,445
Operating grants and contributions	4,797,917	5,632,909	(834,992)	60,016	16,784	43,232
Capital grants and contributions	1,280,680	3,317,784	(2,037,104)	-	-	-
Total Program Revenues	18,341,535	18,043,491	298,044	3,937,938	3,796,261	141,677
General Revenues						
Taxes	37,538,267	35,414,218	2,124,049	-	-	-
Investment earnings	-	-	-	-	-	-
Other revenues	1,146,385	176,593	969,792	309	-	309
Total General Revenues	38,684,652	35,590,811	3,093,841	309	-	309
Expenses						
General government	7,884,210	5,811,523	2,072,687	-	-	-
Public works	9,260,749	7,677,819	1,582,930	-	-	-
Recreation	6,089,667	4,691,509	1,398,158	-	-	-
Community development	4,262,818	3,452,703	810,115	-	-	-
Public safety	30,989,792	26,208,413	4,781,379	-	-	-
Interest on long-term debt	716,380	879,070	(162,690)	-	-	-
Integrated waste management	-	-	-	2,815,640	2,662,806	152,834
Total Expenses	59,203,616	48,721,037	10,482,579	2,815,640	2,662,806	152,834
Special items	-	(1,321,189)	1,321,189	-	-	-
Transfers	3,671	3,671	-	(3,671)	(3,671)	-
Increase / (Decrease) in Net Position	(2,173,758)	3,595,747	(5,769,505)	1,118,936	1,129,784	(10,848)
Prior Period Adjustments	3,731,715	-	3,731,715	-	-	-
Net Position, Beginning of Year	14,030,565	10,434,818	3,595,747	2,759,343	1,629,559	1,129,784
Net Position, End of Year	\$ 15,588,522	\$ 14,030,565	\$ 1,557,957	\$ 3,878,279	\$ 2,759,343	\$ 1,118,936

Governmental Activities

Governmental Revenues

The following chart summarizes the changes in revenues by category during Fiscal Year 21/22:

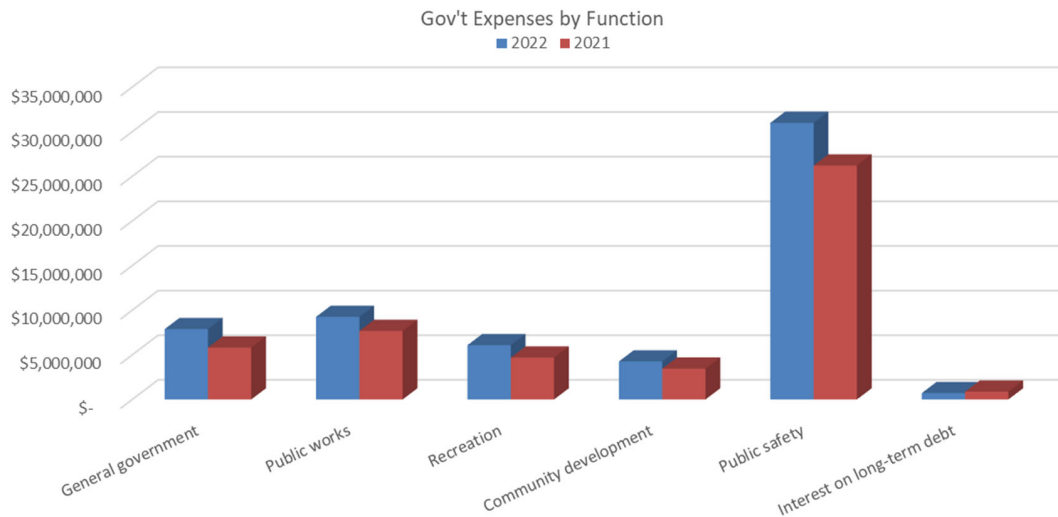


Significant changes in governmental revenues consisted of the following:

- Taxes increased by \$2.12, with the substantial net changes in the following categories:
 - Property taxes increased by \$867,494 or 5.5%, which reflects the continuing strength in property values.
 - Business license taxes increased by \$116,260 or 12.6%.
 - Real property county transfer taxes increased by \$443,928 or 10%.
 - Other taxes and assessments increased by \$330,764 or 132%.
- Other revenues increased by \$969,792 mostly from local reimbursements and local donations that did not meet the definition of a charges for services, operating grants or capital grants.
- Charges for services increased by \$3.17 million mostly from increased program activities for recreation, community development and public safety as the pandemic winds down.

Governmental Expenses

The Fiscal Year 21/22 expenses for Governmental Activities increased by \$10.48 million as illustrated in the chart below:



Significant changes in governmental expenses consisted of the following:

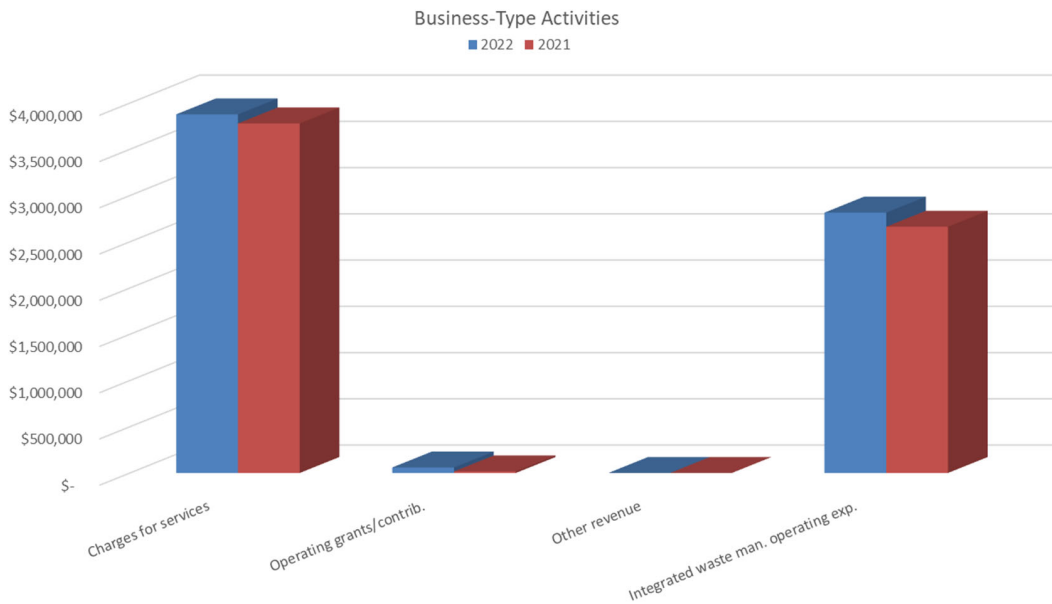
- The largest contributed factor to the increase on governmental activities expenses as an adjustment to pension expense as required by GASB 68 of \$11.5 million resulting in a total pension expense of \$19.79 million. The investment returns in excess of estimated realized during the plan measurement period will be recognized over the next five years which attributed to the increase in the pension plan expense since.

- Interest expense decreased by \$162,690 due to obligations generally requiring less interest as debt matures.

Business-Type Activities

The City’s net position for business type activities increased by \$1.12 million which includes the integrated waste management enterprise fund. This increase included the Sewer, Cemetery, Local Water Project and Golf Course Funds. The \$1.12 million increase is mostly from increases in charges for services and operating grants.

The following chart is a summary of the changes in revenues and expenses for the City’s business-type activities from Fiscal Year 20/21 to 21/22:



Charges for services included fees of \$3.75 million and recycling sales of \$128,685. Expenses included personnel services, services, supplies and depreciation totaling \$2.76 million. Personnel costs increased by \$92,593 and supplies increased by \$86,983 due to increased operating activities over the prior year.

FINANCIAL ANALYSIS OF THE CITY’S GOVERNMENTAL FUNDS

As noted earlier, the City of El Cerrito uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 City’s financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the City of El Cerrito’s City Council.

A summary of the changes in fund balance of the Major Funds and Other Governmental Funds is presented below:

Table 3 - Summary of Changes in Fund Balance - Governmental Funds

	Major Funds				Total
	General Fund	Low/Mod Income Housing Asset Fund	Fed, State and Local Grants Fund	Other Nonmajor Governmental Funds	
Total Revenues	\$ 47,024,739	\$ 16,887	\$ 3,455,240	\$ 6,459,454	\$ 56,956,320
Total Expenditures	40,217,837	2,472	275,996	6,974,126	47,470,431
Revenues Over (Under) Expenditures	6,806,902	14,415	3,179,244	(514,672)	9,485,889
Transfers in	3,254,622	-	-	1,326,912	4,581,534
Transfers out	(580,612)	-	(3,051,028)	(946,223)	(4,577,863)
Net change in fund balances	9,480,912	14,415	128,216	(133,983)	9,489,560
Beginning of year	7,143,262	5,247,776	124,615	9,362,863	21,878,516
Prior Period Adjustment	-	141,155	-	-	141,155
End of year	\$ 16,624,174	\$ 5,403,346	\$ 252,831	\$ 9,228,880	\$ 31,509,231

The General Fund balance increased by \$9.48 million. This included operating revenues exceeding operating expenses by \$6.8 million. The operating difference can be attributed to better than anticipated tax revenues, licenses and permits, and charges for services.

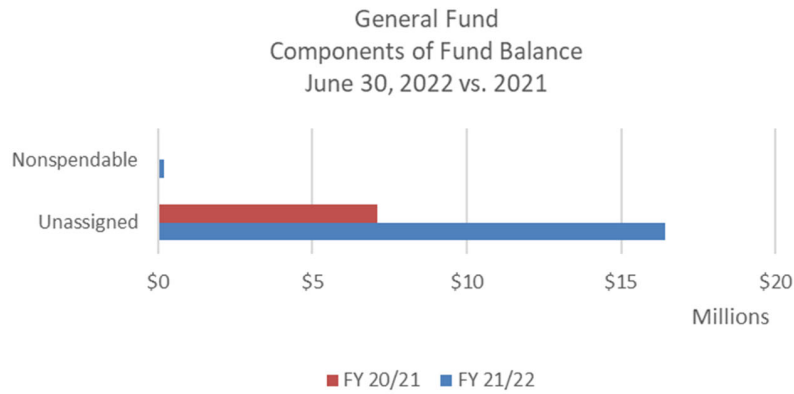
The beginning fund balance in the Low and Moderate Income Housing Asset Fund was increased by \$141,155 to correctly report unavailable revenues that were previously overstated.

The fund balance in the Federal, State and Local Grants Fund increased by \$128,216 as transfers to other funds to reimburse allowable costs was lower than the revenue earned of \$3.45 million.

The fund balance in Nonmajor Funds decreased by \$133,983 mostly due to on-going capital improvement programs, debt service payments, road maintenance and other special revenue fund programs. The Capital Improvement reported a deficit fund balance of \$91,408 due to capital outlay. This deficit will be recovered in FY 2023.

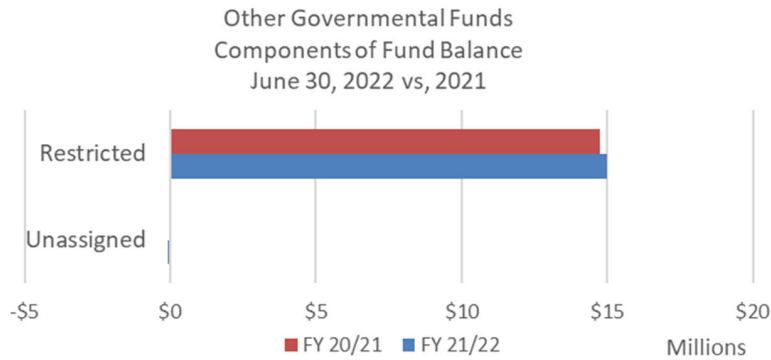
General Fund – Components of Fund Balance

In Fiscal Year 21/22, the General Fund’s total fund balance represented approximately 41% of total general fund expenditures. The following chart summarizes the ending fund balance in the General Fund over the last two fiscal years:



Other Governmental Fund - Components of Fund Balance

The following chart summarizes the ending fund balance of all other funds other than the General Fund over the last two fiscal years:



CAPITAL ASSETS

The City of El Cerrito's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$71.48 million (net of accumulated depreciation). The total decrease in the City's capital assets, net of depreciation and disposals, was \$1.33 million or 1.8%. In Governmental Activities, the net decrease in capital assets was \$1.2 million, or 1.7%, while business-type Activities net capital assets decreased by \$126,990 or 3.9%. The following table summarizes the City's capital assets at the end of the year:

Table 4 - Capital Assets at Year End - Net

	Governmental Activities		Business-type Activities		Total		% Change
	2022	2021	2022	2021	2022	2021	
Land	\$ 5,191,639	\$ 5,191,639	\$ -	\$ -	\$ 5,191,639	\$ 5,191,639	0.00%
Construction in progress	3,198,707	798,016	-	-	3,198,707	798,016	300.83%
Buildings and improvement	27,408,552	27,408,552	3,495,683	3,495,683	30,904,235	30,904,235	0.00%
Machinery and equipment	6,694,533	6,694,533	1,597,612	1,597,612	8,292,145	8,292,145	0.00%
Right of use assets	643,628	-	-	-	643,628	-	100.00%
Infrastructure	86,769,509	86,769,509	-	-	86,769,509	86,769,509	0.00%
Accumulated deprec./amort.	(61,555,897)	(57,311,937)	(1,961,016)	(1,834,026)	(63,516,913)	(59,145,963)	103.19%
Total Capital Assets, Net	\$ 68,350,671	\$ 69,550,312	\$ 3,132,279	\$ 3,259,269	\$ 71,482,950	\$ 72,809,581	-1.82%

Additional information on capital asset can be found in Note 5 in the notes to financial statements.

DEBT ADMINISTRATION

During the year, long-term debt from governmental activities increased by \$359,119 and long-term debt attributable to business type activities increased by \$143,957, mostly from additional financed purchases net of debt service. The reduction within the business-type category resulted from regular debt service payments.

The following table summarizes the City's debt at the end of the year:

Table 5 - Outstanding Long-Term Debt at Year End

	Governmental Activities		
	2022	2021	% Change
Revenue bonds and notes	\$ 14,469,055	\$ 15,172,273	-4.63%
Leases	114,531	-	100.00%
Financed purchases	1,938,097	990,291	95.71%
Total outstanding long-term debt	\$ 16,521,683	\$ 16,162,564	2.22%
	Business-type Activities		
	2022	2021	% Change
Revenue bonds and notes	\$ 1,025,600	\$ 1,303,000	-21.29%
Financed purchases	742,786	321,429	131.09%
Total outstanding long-term debt	\$ 1,768,386	\$ 1,624,429	8.86%

Additional information on capital asset can be found in Note 7 in the notes to financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Changes from the City's General Fund original budget to the final budget are detailed in the *Required Supplementary Information* section along with a comparison to actual activity for the year ended.

Over the course of the year, the City 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 awards 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.

At the time of the FY 21/22 adoption, City revenues were projected to be \$39.45 million and expenditures were projected to be \$39.26 million. The final budgeted revenues were \$41.93 million and expenditures were \$41.66 million. Actual revenues exceed the final budget by \$5.01 million and actual expenditures were less than the final budget by \$1.44 million.

After transfers, the original adopted budget projected a surplus change in fund balance of \$477,368 and the final budget projected a surplus of \$554,289. The actual change in fund was for the year was \$9.48 million, which was \$8.93 million more than the final budget. Transfers in from the Federal, State and Local Grants fund were \$2.3 million more than the final budget.

The following table summarizes the City’s budget vs. actual amounts for FY2021-22:

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes and assessments	\$ 26,031,617	\$ 26,831,617	\$ 32,844,740	\$ 6,013,123
Licenses and permits	636,112	1,136,112	1,440,972	304,860
Fines and forfeitures	140,000	140,000	152,343	12,343
Intergovernmental	7,312,900	7,808,900	4,844,428	(2,964,472)
Use of money and property	353,968	353,968	153,515	(200,453)
Charges for Services	4,800,000	5,483,000	7,405,175	1,922,175
Other Revenue	175,000	175,000	183,566	8,566
Total Revenues	39,449,597	41,928,597	47,024,739	5,096,142
EXPENDITURES				
Current:				
General government	5,623,469	6,193,569	5,958,210	235,359
Public works	1,696,985	2,044,065	1,884,039	160,026
Recreation	4,475,719	4,507,719	4,336,021	171,698
Community development	2,548,257	3,273,257	3,064,072	209,185
Public Safety	24,599,220	25,199,020	24,525,779	673,241
Capital outlay	29,381	157,480	87,588	69,892
Debt service				
Principal retirement	131,106	131,106	256,711	(125,605)
Interest and fiscal charges	155,130	155,130	105,417	49,713
Total Expenditures	39,259,267	41,661,346	40,217,837	1,443,509
Excess (Deficiency) of Revenues over Expenditures	\$ 190,330	\$ 267,251	\$ 6,806,902	\$ 6,539,651

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In FY 2022, the San Francisco Bay Area led the country in economic growth, with a 4.8% increase in gross domestic product (GDP), while other California regions experienced a greater economic slowdown. Similarly, the City of El Cerrito did not experience the anticipated drop in revenue during the "remain-at-home" periods of the COVID-19 pandemic and the Statewide continued state of emergency.

The City's diversified and resilient revenue base remained strong and exceeded projections. At fiscal year ending June 30, 2022, operating revenues exceeded budget, primarily due to better than anticipated tax revenues, licenses and permits, and charges for services. The General Fund balance increased by approximately \$9.5 million from the prior year, with a total General Fund balance of \$16.6 million. This General Fund balance represents approximately 41% of total General Fund expenditures.

Despite the City's positive economic position, management remains cognizant of the economic trends facing the State of California: \$24 billion projected budget deficit with resources less than required to cover current costs of authorized services, cooling of labor markets and job growth downshifts, slight increase in unemployment rate for the past two consecutive months, and housing market dips in existing home sales and flattening of home prices.

In addition, City management is mindful of the challenges facing the U.S. including rising inflation, interest rate increases, global supply chain challenges and inability to meet surging consumer demand, and 8% consumer price increases during the past year (more than three times the average in the last three decades). Also, the U.S. is still assessing the comprehensive economic impacts from the recent U.S. bank failures of Silicon Valley Bank and Signature Bank and the now the ailing First Republic Bank. Generally, economic impacts associated with the failure of financial institutions includes decreased consumer spending and cash hoarding, decreased business investment, and other reverberations yet to come.

Also, the City's employee costs continue to trend upwards as retirement contributions and lower than projected fluctuations in the CalPERS pension plan investments drives 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.

Despite these economic trends, the Greater Bay Area and El Cerrito are somewhat better positioned to withstand economic down trends due to its diversified revenue sources and the City's prudent and conservative financial management strategies and approach of avoiding overly optimistic revenue estimates or a presumption of an imminent recession.

El Cerrito's FY 2023 Amended General Fund Budget is structurally balanced, with estimated revenues projected to be \$.85 million greater than expenditures. The projected FY 2023 ending General Fund balance is estimated to be \$1.5 - \$2.0 million, exceeding the City's fiscal year General Fund balance goal of \$1.0 million.

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.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of El Cerrito's finances for all of El Cerrito's residents, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Department of Finance at (510) 215-4312 or by mail at 10890 San Pablo Avenue, El Cerrito, CA 94530.

City of El Cerrito
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds				
	General Fund	Low/Mod Income Housing Asset Fund	Federal State and Local Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 23,310,907	\$ 812,220	\$ 194,326	\$ 6,815,901	\$ 31,133,354
Accounts receivable	6,747	-	3,051,028	-	3,057,775
Interest receivable	24,077	1,052,839	89,228	-	1,166,144
Due from other governments	1,027,427	-	-	276,890	1,304,317
Due from other funds	3,051,028	-	-	-	3,051,028
Loans receivable	-	4,591,152	-	2,860,000	7,451,152
Prepaid items	161,576	-	-	-	161,576
Inventory	38,763	-	-	-	38,763
Total assets	\$ 27,620,525	\$ 6,456,211	\$ 3,334,582	\$ 9,952,791	\$ 47,364,109
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,248,347	\$ 26	\$ 30,723	\$ 565,076	\$ 1,844,172
Accrued liabilities	1,589,666	-	-	58,015	1,647,681
Due to other funds	-	-	3,051,028	-	3,051,028
Deposits payable	2,006,664	-	-	100,820	2,107,484
Unearned revenue	90,782	-	-	-	90,782
Note payable	6,060,892	-	-	-	6,060,892
Total liabilities	10,996,351	26	3,081,751	723,911	14,802,039
Deferred Inflows of Resources:					
Unavailable revenues	-	1,052,839	-	-	1,052,839
Total deferred inflows of resources	-	1,052,839	-	-	1,052,839
Fund Balances:					
Nonspendable					
Prepaid items	161,576	-	-	-	161,576
Inventory	38,763	-	-	-	38,763
Restricted:					
Redevelopment	-	-	252,831	34,331	287,162
Debt service	-	-	-	7,727	7,727
Street improvements	-	-	-	3,320,599	3,320,599
Transportation	-	-	-	742,926	742,926
Public safety - police	-	-	-	312,221	312,221
Public safety - vehicle abatement	-	-	-	410,853	410,853
Parks and recreation	-	-	-	538,513	538,513
Storm drains	-	-	-	955,910	955,910
Public art	-	-	-	162,208	162,208
Housing	-	5,403,346	-	2,835,000	8,238,346
Unassigned	16,423,835	-	-	(91,408)	16,332,427
Total fund balances	16,624,174	5,403,346	252,831	9,228,880	31,509,231
Total liabilities, deferred inflows of resources and fund balances	\$ 27,620,525	\$ 6,456,211	\$ 3,334,582	\$ 9,952,791	\$ 47,364,109

The accompanying notes are an integral part of these financial statements.

City of City of El Cerrito
Notes to the Basic Financial Statements
June 30, 2022

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 2022, pledged sales tax revenues amounted to 1,809,481 which represented coverage of 256% over the debt service of \$706,099. 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.

2018 Mobile Modular Lease - GASB 87

The District leases modular buildings for the El Cerrito Open House Senior Center with annual rent at \$116,400 and interest at 3%. The lease was initiated in February of 2018 and ends on June 30, 2023. The initial net present value of the lease was \$539,828 with the lease liability as of June 30, 2022 of \$114,531. The related right of use asset reported in capital assets had an original net present value \$643,628, including up-front costs of \$103,800. The net book value of the right of use asset after accumulated amortization was \$128,726 at year end.

Financed Purchase - 2022 Fire Engine Purchase

On April 19, 2022, the City entered into a purchase agreement in the amount of \$1,145,241 at 3.34% interest with First Capital Leasing Corp. to finance the purchase a fire engine. Annual principal and interest payments of \$136,590 are due each May.

Financed Purchase - Solar Photovoltaic

On December 5, 2012, the City entered into a purchase 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.

Financed Purchase - 2019 Vehicles

On December 10, 2018, the City entered into vehicle purchase 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.

Financed Purchase - 2019 Equipment - Wells Fargo

On July 5, 2019, the City entered into an equipment 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.

Financed Purchase - 2019 Vehicles - Dell Financial

On August 1, 2019, the City entered into an equipment 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.

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

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

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

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

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

City of El Cerrito
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

Capital Projects Funds

	Measure J Fund	Storm Drain Fund	Street Improvement Fund	Capital Improvement Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ 458,051	\$ 869,824	\$ 2,322,847	\$ 31,531	\$ 6,815,901
Due from other governments	-	-	164,164	-	276,890
Loans receivable	-	-	-	-	2,860,000
Total assets	\$ 458,051	\$ 869,824	\$ 2,487,011	\$ 31,531	\$ 9,952,791
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 11,767	\$ 57,887	\$ 144,276	\$ 122,939	\$ 565,076
Accrued liabilities	4,063	17,932	2,713	-	58,015
Deposits payable	-	-	-	-	100,820
Total liabilities	15,830	75,819	146,989	122,939	723,911
Fund Balances:					
Restricted:					
Redevelopment	-	-	-	-	34,331
Debt service	-	-	-	-	7,727
Street improvements	-	-	2,340,022	-	3,320,599
Transportation	442,221	-	-	-	742,926
Public safety - police	-	-	-	-	312,221
Public safety - vehicle abatement	-	-	-	-	410,853
Parks and recreation	-	-	-	-	538,513
Storm drains	-	794,005	-	-	955,910
Public art	-	-	-	-	162,208
Housing	-	-	-	-	2,835,000
Unassigned	-	-	-	(91,408)	(91,408)
Total fund balances	442,221	794,005	2,340,022	(91,408)	9,228,880
Total liabilities and fund balances	\$ 458,051	\$ 869,824	\$ 2,487,011	\$ 31,531	\$ 9,952,791

Concluded

City of El Cerrito

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022**

	Capital Projects Funds				
	Measure J Fund	Storm Drain Fund	Street Improvement Fund	Capital Improvement Fund	Total Nonmajor Governmental Funds
REVENUES					
Taxes and assessments	\$ 554,790	\$ 711,134	\$ 1,809,485	\$ 117,387	\$ 4,843,330
Fines and penalties	-	-	-	-	2,958
Intergovernmental	-	-	-	222,644	1,131,527
Use of money and property	-	-	-	-	462,824
Charges for services	40	-	-	-	6,913
Other Revenue	-	-	9,802	-	11,902
Total Revenues	554,830	711,134	1,819,287	340,031	6,459,454
EXPENDITURES					
Current:					
General government	-	-	6,140	-	6,140
Public works	350,061	458,575	102,291	3,883	3,098,129
Recreation	-	-	-	-	188,320
Community development	-	-	-	-	28,741
Capital outlay	-	81,077	789,317	944,288	2,313,102
Debt service:					
Principal	-	-	-	-	701,874
Interest and fiscal charges	-	-	-	-	637,820
Total Expenditures	350,061	539,652	897,748	948,171	6,974,126
Excess (Deficiency) of Revenues over Expenditures	204,769	171,482	921,539	(608,140)	(514,672)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	40,000	1,326,912
Transfers out	(40,000)	-	(706,300)	-	(946,223)
Total Other Financing Sources (Uses)	(40,000)	-	(706,300)	40,000	380,689
Net Change in Fund Balances	164,769	171,482	215,239	(568,140)	(133,983)
Fund Balances Beginning	277,452	622,523	2,124,783	476,732	9,362,863
Fund Balances Ending	\$ 442,221	\$ 794,005	\$ 2,340,022	\$ (91,408)	\$ 9,228,880

Concluded

City of El Cerrito
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

Street Improvement Fund

	Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 1,478,700	\$ 1,478,700	\$ 1,809,485	\$ 330,785
Fines and penalties	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	-	-	-	-
Charges for services	-	-	-	-
Other Revenue	-	-	9,802	9,802
Total Revenues	1,478,700	1,478,700	1,819,287	340,587
EXPENDITURES				
Current:				
General government	707,900	707,900	6,140	701,760
Public works	116,608	116,608	102,291	14,317
Recreation	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Capital outlay	810,000	810,000	789,317	20,683
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,634,508	1,634,508	897,748	736,760
Excess (Deficiency) of Revenues over Expenditures	(155,808)	(155,808)	921,539	1,077,347
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(706,300)	(706,300)
Total Other Financing Sources (Uses)	-	-	(706,300)	(706,300)
Net Change in Fund Balances	(155,808)	(155,808)	215,239	371,047
Fund Balances Beginning	2,124,783	2,124,783	2,124,783	-
Fund Balances Ending	\$ 1,968,975	\$ 1,968,975	\$ 2,340,022	\$ 371,047

Cont'd

**CITY OF EL CERRITO
CALIFORNIA**

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED UPON PROCEDURES FOR THE
CITY OF EL CERRITO MASTER INSTALLMENT SALE
AGREEMENT COMPLIANCE WITH BOND
COVENANTS FOR THE 2008 SALES
TAX REVENUE BONDS

FOR THE FISCAL YEAR
ENDED JUNE 30, 2022



Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Ste 130
Morgan Hill, CA 95037

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED UPON PROCEDURES FOR THE
CITY OF EL CERRITO MASTER INSTALLMENT SALE
AGREEMENT COMPLIANCE WITH BOND
COVENANTS FOR THE 2008 SALES
TAX REVENUE BONDS**

JUNE 30, 2022

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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON
PROCEDURES FOR THE CITY OF EL CERRITO MASTER INSTALLMENT SALE
AGREEMENT COMPLIANCE WITH BOND COVENANTS FOR THE 2008 SALES
TAX REVENUE BONDS**

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

We have performed the procedures described in Schedule A, which were agreed to by the City of El Cerrito (City) on the Master Installment Sale Agreement for the 2008 Sales Tax Revenue Bonds between the City and the Financing Authority for the year ended June 30, 2022. The City's management is responsible for the Master Installment Sale Agreement for the 2008 Sales Tax Revenue Bonds. The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the City with respect to the Master Installment Sale Agreement for the year ended June 30, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are described in Schedule A.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule A. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

C & A LLP

March 14, 2023
Morgan Hill, California

**CITY OF EL CERRITO
 MASTER INSTALLMENT SALE AGREEMENT
 COMPLIANCE WITH BOND COVENANTS FOR THE
 2008 SALES TAX REVENUE BONDS**

SCHEDULE A
 AGREED-UPON PROCEDURES AND RESULTS
 JUNE 30, 2022

The procedures and the associated findings are as follows:

1. We obtained the Master Installment Sale Agreement (Agreement) between the City and the Financing Authority dated May 1, 2008.

Finding: No exceptions were noted as a result of our procedures.

2. We obtained a copy of Chapter 4.60 for the City’s Municipal Code (Pothole Repair and Local Street Improvement and Maintenance and Use Transaction Tax).

Finding: No exceptions were noted as a result of our procedures.

3. We obtained the general ledger account activity summary for the fiscal year for Fund 211 (Street Improvement Fund).

Finding: No exceptions were noted as a result of our procedures.

4. We obtained documentation of compliance with provisions of Section 2.02 of the Agreement; Revenue Fund; Pledge of Revenues:
 - a. Principal and interest payments made from the Revenue Fund for all parity obligations.
 - b. Excess revenue funds (after payment of parity obligations) used for the payment of any supplemental or subordinate obligations.
 - c. Revenues cannot be used for termination payments unless specific conditions are met defined in 2.02(B)(1).

Finding: No exceptions were noted as a result of our procedures.

5. We selected expenditures and transfers out of Fund 211 and determined they were for street improvements, maintenance, associated debt services, or other eligible activities pursuant to Chapter 4.60 of the Municipal Code.

Finding: No exceptions were noted as a result of our procedures. Below is a summary of Fund 211 expenditures and transfers out.

Maintenance and Improvement (Including Project Management, Engineering costs, and Construction Services) - by project:	
C3021 - Facility Painting, Planning & Design	\$ 1,500
C3024 - Access Modification, 2021 Access Mod-Sidewalk Restoration Project	612
C3027 - Street Resurfacing 2007, 2018 and 2019	373,528
C3070 - Traffic Safety & Management Program, Planning Architecture, Construction	29,913
C3079 - El Dorado-Gladys B Street Planning and Design	352,034
C3080- Richmond Street Improvements and Planning	31,463
Public Works personnel salaries and benefits - non project	102,021
Debt Service	706,300
Administrative costs:	
Other Administrative Costs	6,677
Total	<u>\$ 1,604,048</u>

**CITY OF EL CERRITO
MASTER INSTALLMENT SALE AGREEMENT
COMPLIANCE WITH BOND COVENANTS FOR THE
2008 SALES TAX REVENUE BONDS**

SCHEDULE A
AGREED-UPON PROCEDURES AND RESULTS
JUNE 30, 2022

6. With regard to Section 3.01 of the Agreement – Parity Obligations. We inquired as to whether the City issued any parity obligations during the fiscal year, and if yes, obtained documentation that the City complied with provisions of this Section.

Finding: No parity debts were issued during the fiscal year.

7. With regard to Section 3.02 of the Agreement – Subordinate Obligations. We inquired as to whether the City issued any subordinate obligations during the fiscal year, and if yes, obtained documentation that the City complied with provisions of this Section.

Finding: No subordinate debts were issued during the fiscal year.

8. With regard to Section 3.03 of the Agreement – Execution of Supplemental Installment Sales Agreements (other than the First Supplement). We inquired as to whether the City executed any supplemental installment sales agreements during the fiscal year, and if yes, obtained documentation that the City complied with the provisions of this Section.

Finding: No supplemental installment sales agreements executed during the fiscal year.

9. With regard to Section 4 of the Agreement – Covenants of the City. We inquired as to whether the City suspended working on any projects or if there were any other violations with regard to timely use of project funds, and we scanned through Fund 211 expenditure report and accounts payable ledger for suspended payments.

Finding: No exceptions were noted as a result of our procedures.

10. With regard to Section 5 of the Agreement – Events of Default and Remedies. We inquired as to whether any of the Events of Default, as defined in the Section, occurred during the fiscal year. If yes, we obtained documentation that the revenues were applied in the manner set forth in this Section.

Finding: No exceptions were noted as a result of our procedures.

11. With regard to Section 6 of the Agreement – Discharge of Obligations. We obtained documentation of compliance with this section for the defeasance of the 2008 Sales Tax Revenue Bonds.

Finding: No exceptions were noted as a result of our procedures.

12. With regard to Section 7.01 of the Agreement – Liability Limited to Revenues. We inquired as to whether the City advanced funds for the payment of the Obligations other than from the Revenues. Revenues, as defined in the agreement include the sales Tax Add-On Revenues and interest earned

**CITY OF EL CERRITO
MASTER INSTALLMENT SALE AGREEMENT
COMPLIANCE WITH BOND COVENANTS FOR THE
2008 SALES TAX REVENUE BONDS**

SCHEDULE A
AGREED-UPON PROCEDURES AND RESULTS
JUNE 30, 2022

from the investment of those funds. If yes, we would obtain documentation that the City was reimbursed from the Revenues as defined in the Agreement.

Finding: No exceptions were noted as a result of our procedures.

13. We reconciled Sales Tax Add-On Revenues reported per the State of California Board of Equalization Quarterly Reports to the revenues recorded in the general ledger in the Street Improvement Capital Projects Fund (Fund 211).

Finding: No exceptions were noted as a result of our procedures.



**DRAFT
FOR COMMITTEE REVIEW**

Date: October ____, 2023
To: El Cerrito City Council
From: Citizens Street Oversight Committee
Subject: Fiscal Year 2021-22 Annual Report to City Council and Citizens of El Cerrito

On September 25, 2023, the Citizens Street Oversight Committee met to review expenditures of revenue collected pursuant to Chapter 4.60 of the El Cerrito Municipal Code to determine whether such funds were expended for the purposes specified in the current Expenditure Plan as approved by the City Council of the City of El Cerrito. The expenditures reviewed were reported for Fiscal Year 2021-22 and were summarized in the City's Annual Financial Comprehensive Report. Further, the Committee reviewed the Agreed Upon Procedures Report issued by the City's independent auditors, Chavan & Associates, LLP, which indicated that no exceptions were noted related to the City's compliance with the terms, covenants and conditions of the Master Installment Sale Agreement related to the bond issuance. The Committee also previously reviewed a detailed list of vendors to whom the expenditures were made.

By a vote of ____ to _____ as indicated below, the Committee found that the expenditures were an appropriate use of the Pothole and Local Street Improvement and Maintenance Transactions and Use Tax as approved by the City of El Cerrito City Council. The Committee is hereby reporting their findings to the City Council and the citizens of the City of El Cerrito pursuant to Section 2.04.320 C of the El Cerrito Municipal Code.

Additionally, the Committee acknowledges and fully supports that City Council, in their resolutions authorizing expenditures of these funds as budget amendments, are confirming that the expenditures are an appropriate use of the Pothole Repair and Local Street Improvement and Maintenance Transactions and Use Tax.

AYES:
NOES:
ABSENT:

Review of Fiscal Year 2021-22
Measure A Street Improvement Expenditure Plan
September 2023

Line#	Revenue Items	Approved Budget Amount	Source Document	Page	Resolution	Date	Prelim/Unaudited Actuals Amount	Audited Actuals Amount	Variance	
									Audited vs. Unaudited Amount	Audited vs. Budgeted Amount
1	Taxes	\$ 1,473,600	FY 2021-22 Adopted Budget	53, 95	2021-35	6/22/2021	\$ 1,497,456	\$ 1,809,485	\$ 312,029	\$ 335,885
2	Misc	\$ 5,100	FY 2021-22 Adopted Budget	53, 95	2021-35	6/22/2021	\$ 9,802	\$ 9,802	\$ -	\$ 4,702
Total Revenues		\$ 1,478,700					\$ 1,507,258	\$ 1,819,287	\$ 312,029	\$ 340,587

Line#	Expense Items	Amount	Source Document	Page	Resolution	Date	Amount	ACFR		
								Amount		
1	Debt Service	\$ 706,300	FY 2021-22 Adopted Budget	53, 95, 98	2021-35	6/22/2021	\$ 706,300	\$ 706,300	\$ -	\$ -
2										
3	Non-Personnel	\$ 1,600	FY 2021-22 Adopted Budget	95, 98	2021-35	6/22/2021	\$ 6,410	\$ 6,140	\$ (270)	\$ 4,540
4										
5	Personnel (Non-Capital)	\$ 116,608	FY 2021-22 Adopted Budget	53, 130, 144-145	2021-35	6/22/2021	\$ 97,112	\$ 102,291	\$ 5,179	\$ (14,317)
6										
7	Capital Outlay									
8	Annual Street Improvement Program	C3027 \$ 575,000	FY 2021-22 Adopted Budget	184-185	2021-35	6/22/2021	\$ 349,492	\$ 373,528	\$ 24,036	\$ (201,472)
9	Traffic Safety & Management Program	C3070 \$ 50,000	FY 2021-22 Adopted Budget	184-185	2021-35	6/22/2021	\$ 29,913	\$ 29,913	\$ -	\$ (20,088)
10	El Dorardo-Gladys-B Street Improve	C3079 \$ 515,000	FY 2021-22 Adopted Budget	184-185	2021-35	6/22/2021	\$ 331,457	\$ 352,034	\$ 20,577	\$ (162,966)
11	Richmond Street Improvements	C3080 \$ 125,000	FY 2021-22 Adopted Budget	184-185	2021-35	6/22/2021	\$ 16,063	\$ 31,463	\$ 15,401	\$ (93,537)
12	Local Match for Potential Federal Stimulus	TBD \$ 60,000	FY 2021-22 Adopted Budget	184-185	2021-35	6/22/2021	\$ -	\$ -	\$ -	\$ (60,000)
13	Facility Painting, Planning & Design	C3021 \$ -	Should be coded to C3027, will be corrected in FY2022-23					\$ 1,500	\$ 1,500	\$ 1,500
14	Access Modification, 2021	C3024 \$ -	Should be coded to C3024, SB1 Fund, will be corrected in FY2022-23					\$ 612	\$ 612	\$ 612
15	ACFR Difference							\$ 268	\$ 268	\$ 268
16	Capital Sub-Total	\$ 1,325,000 *					\$ 726,924	\$ 789,317	\$ 62,393	\$ (535,951)
Total Expenses		\$ 2,149,508					\$ 1,536,746	\$ 1,604,048	\$ 67,302	\$ (545,728)

*Discrepancy with NewWorld Line Items with total \$810,000

These are excerpts from the Adopted FY2024 Budget Book. The full book is available for review on the City's website at: <https://www.el-cerrito.org/DocumentCenter/View/19375/Adopted-FY2024-Budget-Book>



City of El Cerrito Digital Budget Book



Adopted Version - 6/20/2023

Last updated 06/21/23



Street Improvement Fund (211)

This Fund is used to account for proceeds of the Measure A half-cent sales tax approved by El Cerrito voters on February 5, 2008. Expenditures from this Fund are to improve and maintain City streets and to pay debt service on the related 2008 bond issuance, for which the Measure A half-cent sales tax is a pledged revenue stream.

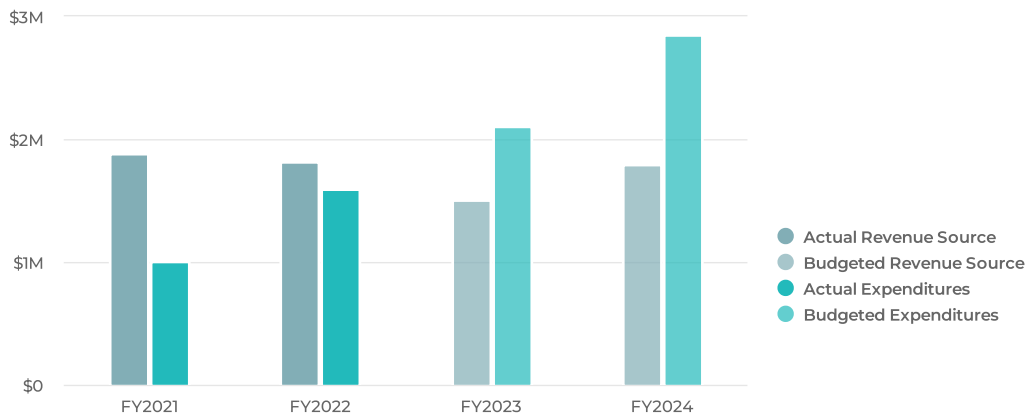
	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted
Starting Balance	\$1,197,347	\$1,248,384	\$2,124,784	\$2,340,023	\$1,739,494
Revenue					
Sales Taxes	\$1,645,068	\$1,889,815	\$1,819,283	\$1,508,376	\$1,805,000
Expenses					
Personnel	\$109,294	\$99,831	\$102,018	\$115,555	\$143,025
Non-Personnel	\$781,837	\$207,284	\$795,726	\$1,286,250	\$2,006,890
Overhead Transfer	\$702,900	\$706,300	\$706,300	\$707,100	\$707,100
Annual Surplus/(Shortfall)	\$51,037	\$876,400	\$215,239	(\$600,529)	(\$1,052,015)
Ending Balance/(Deficit)	\$1,248,384	\$2,124,784	\$2,340,023	\$1,739,494	\$687,479

Assumptions

- Expenses will remain in line with revenues after debt service.

Summary

The City of El Cerrito is projecting \$1.81M of revenue in FY2024, which represents a 19.7% increase over the prior year. Budgeted expenditures are projected to increase by 35.5% or \$748.11K to \$2.86M in FY2024.



Street Improvement Fund Revenue

Name	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Amended	FY2024 Budgeted
Street Improvemt & Maint	\$1,645,068	\$1,889,815	\$1,819,283	\$1,508,376	\$1,805,000
Total Street Improvemt & Maint:	\$1,645,068	\$1,889,815	\$1,819,283	\$1,508,376	\$1,805,000

Street Improvement Fund Expenditures

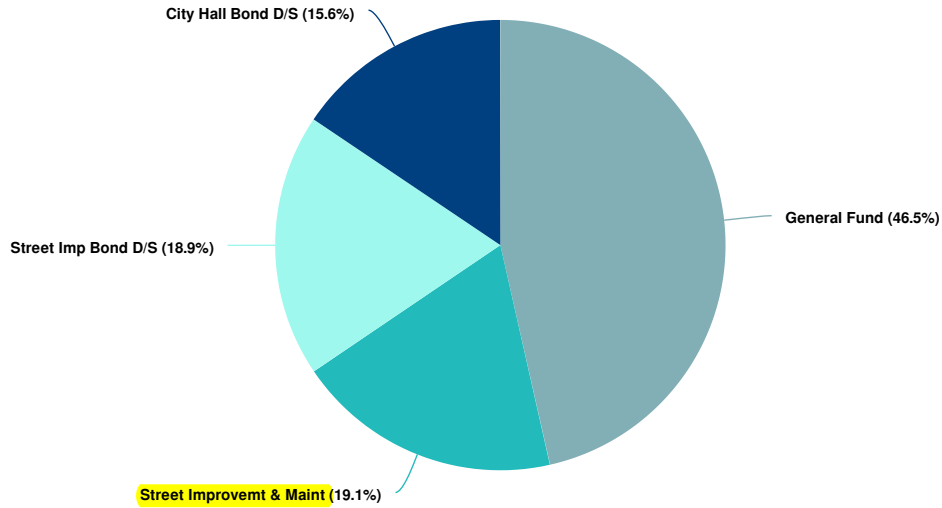
Name	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Amended	FY2024 Budgeted
Street Improvemnt & Maint					
Personnel	\$109,294	\$99,831	\$102,018	\$115,555	\$143,025
Purchased Professional & Technical Services	\$162,629	\$172,642	\$224,490	\$647,500	\$6,570
Purchased Property Services	\$617,398	\$32,094	\$569,444	\$638,750	\$2,000,000
Other Purchased Services	\$1,811	\$2,548	\$1,792	\$0	\$320
Other Financing Uses	\$702,900	\$706,300	\$706,300	\$707,100	\$707,100
Total Street Improvemnt & Maint:	\$1,594,032	\$1,013,415	\$1,604,044	\$2,108,905	\$2,857,015

Expenditures by Fund

Accounts below include the following divisions:

- o 10-50 (Finance)

2024 Expenditures by Fund



Name	Account ID	FY2021 Actual	FY2022 Actual	FY2023 Amended	FY2024 Budgeted
General Fund					
Personnel					
Regular Salaries & Wages	101-10-50-51110	\$525,711	\$449,433	\$720,960	\$848,651
Part-Time Permanent Salaries & Wages	101-10-50-51120	\$0	\$53	\$1,000	\$1,030
Overtime Pay	101-10-50-51140	\$3,943	\$4,464	\$4,160	\$4,285
Special Pay	101-10-50-51150	\$2,350	\$2,318	\$1,300	\$2,300
One-Time Payouts	101-10-50-51155	\$24,307	\$91,536	\$15,000	\$15,450
PERS Contributions	101-10-50-51210	\$64,943	\$43,964	\$67,374	\$70,743
PERS UAL	101-10-50-51211	\$124,505	\$142,018	\$157,025	\$272,232
FICA/Medicare	101-10-50-51220	\$39,852	\$38,758	\$46,921	\$62,525
Medical Benefits	101-10-50-51230	\$117,907	\$85,242	\$100,181	\$143,951
Life & LTD Insurance	101-10-50-51235	\$9,669	\$4,507	\$4,347	\$8,318
Allowances & Other Benefits	101-10-50-51237	\$0	\$0	\$0	\$1,440
Workers Compensation Premiums	101-10-50-51240	\$26,086	\$22,759	\$32,741	\$40,296
Salary Savings	101-10-50-51990	\$0	\$0	\$0	-\$275,870
Total Personnel:		\$939,272	\$885,052	\$1,151,009	\$1,195,351
Purchased Professional & Technical Services					
Collect & Admin Svcs	101-10-50-52110	\$76,008	\$85,500	\$82,000	\$90,000
Legal & Financial Svcs	101-10-50-52120	\$132,454	\$129,086	\$290,118	\$160,000
Miscellaneous Prof Svcs	101-10-50-52190	\$7,066	\$23,285	\$20,000	\$20,000

Name	Account ID	FY2021 Actual	FY2022 Actual	FY2023 Amended	FY2024 Budgeted
Other Technical Services	101-10-50-52230	\$84,891	\$108,484	\$161,400	\$160,000
Miscellaneous Services	101-10-50-52240	\$615	\$0	\$0	\$0
Total Purchased Professional & Technical Services:		\$301,034	\$346,354	\$553,518	\$430,000
Other Purchased Services					
Telephone Expenses	101-10-50-54210	\$3,564	\$4,073	\$4,120	\$4,120
Mobile/Wireless Expenses	101-10-50-54220	\$2,076	\$1,963	\$750	\$825
Internet Services	101-10-50-54230	\$0	\$0	\$3,500	\$500
Software Licenses & Maintenance	101-10-50-54240	\$0	\$480	\$20,000	\$27,500
Legal Notices & Advertise	101-10-50-54310	\$0	\$0	\$309	\$309
Printing & Binding	101-10-50-54410	\$0	\$0	\$3,605	\$600
Travel & Training	101-10-50-54610	\$0	\$5,286	\$36,180	\$6,180
Dues & Subscriptions	101-10-50-54910	\$635	\$470	\$2,575	\$2,575
Total Other Purchased Services:		\$6,275	\$12,273	\$71,039	\$42,609
Supplies					
General Office Supplies	101-10-50-55110	\$1,973	\$7,184	\$1,812	\$5,500
Postage & Delivery	101-10-50-55120	\$4,216	\$2,138	\$2,158	\$4,550
Photocopying Charges	101-10-50-55130	\$0	\$0	\$19	\$500
Other Operating Supplies	101-10-50-55290	\$0	\$1,425	\$473	\$1,000
Total Supplies:		\$6,189	\$10,747	\$4,462	\$11,550
Property & Capital					
Office Equipment <\$10K	101-10-50-56410	\$2,330	\$7,020	\$5,000	\$10,000
Total Property & Capital:		\$2,330	\$7,020	\$5,000	\$10,000
Financing Costs					
Fines & Penalties	101-10-50-58230	\$4,980	\$11,637	\$0	\$0
Bank & Credit Card Fees	101-10-50-58920	\$35,734	\$27,646	\$50,000	\$50,000
Total Financing Costs:		\$40,714	\$39,283	\$50,000	\$50,000
Total General Fund:		\$1,295,815	\$1,300,729	\$1,835,028	\$1,739,510
Measure A Parcel Tax					
Other Financing Uses					
Operating Xfer Out-FIN	206-10-50-59990.834	\$187,014	\$0	\$0	\$0
Total Other Financing Uses:		\$187,014	\$0	\$0	\$0
Total Measure A Parcel Tax:		\$187,014	\$0	\$0	\$0
Street Improvemnt & Maint					
Purchased Professional & Technical Services					
Legal & Financial Svcs	211-10-50-52120	\$1,225	\$6,140	\$5,000	\$6,570

Name	Account ID	FY2021 Actual	FY2022 Actual	FY2023 Amended	FY2024 Budgeted
Total Purchased Professional & Technical Services:		\$1,225	\$6,140	\$5,000	\$6,570
Other Financing Uses					
Operating Xfer Out-ST IMP	211-10-50-59990.836	\$706,300	\$706,300	\$707,100	\$707,100
Total Other Financing Uses:		\$706,300	\$706,300	\$707,100	\$707,100
Total Street Improvemt & Maint:		\$707,525	\$712,440	\$712,100	\$713,670
Integrated Waste Mgmt					
Other Purchased Services					
Dues & Subscriptions	501-10-50-54910	\$0	\$135	\$0	\$0
Total Other Purchased Services:		\$0	\$135	\$0	\$0
Total Integrated Waste Mgmt:		\$0	\$135	\$0	\$0
Pension Trust					
Financing Costs					
Retiree Pension	701-10-50-58810	\$89,205	\$91,747	\$85,000	\$0
Total Financing Costs:		\$89,205	\$91,747	\$85,000	\$0
Total Pension Trust:		\$89,205	\$91,747	\$85,000	\$0
Successor Agency to RDA					
Purchased Professional & Technical Services					
Legal & Financial Svcs	780-10-50-52120	\$10,145	\$2,925	\$0	\$0
Total Purchased Professional & Technical Services:		\$10,145	\$2,925	\$0	\$0
Total Successor Agency to RDA:		\$10,145	\$2,925	\$0	\$0
Finance Authority Debt Sv					
Financing Costs					
Principal Payments	834-10-50-58110	\$185,200	\$0	\$0	\$0
Interest Payments	834-10-50-58120	\$1,815	\$0	\$0	\$0
Total Financing Costs:		\$187,015	\$0	\$0	\$0
Other Financing Uses					
Operating Xfer Out-GEN	834-10-50-59990.101	\$0	\$199,923	\$0	\$0
Total Other Financing Uses:		\$0	\$199,923	\$0	\$0
Total Finance Authority Debt Sv:		\$187,015	\$199,923	\$0	\$0
City Hall Bond D/S					
Purchased Professional & Technical Services					
Legal & Financial Svcs	835-10-50-52120	\$0	\$0	\$5,000	\$5,000

Name	Account ID	FY2021 Actual	FY2022 Actual	FY2023 Amended	FY2024 Budgeted
Street Improvemnt & Maint					
Personnel					
Regular Salaries & Wages	211-30-20-51110	\$38,047	\$35,438	\$45,810	\$47,532
Regular Salaries & Wages	211-30-30-51110	\$20,367	\$24,277	\$22,946	\$25,203
Overtime Pay	211-30-20-51140	\$0	\$3	\$0	\$0
Overtime Pay	211-30-30-51140	\$442	\$746	\$1,421	\$1,464
Straight OT	211-30-30-51142	\$1,228	\$1,181	\$432	\$445
Special Pay	211-30-20-51150	\$63	\$0	\$65	\$65
Special Pay	211-30-30-51150	\$416	\$473	\$403	\$0
One-Time Payouts	211-30-20-51155	\$161	\$650	\$0	\$0
One-Time Payouts	211-30-30-51155	\$412	\$824	\$975	\$0
PERS Contributions	211-30-20-51210	\$2,838	\$1,863	\$4,789	\$5,251
PERS Contributions	211-30-30-51210	\$3,133	\$3,350	\$3,212	\$3,373
PERS UAL	211-30-20-51211	\$1,945	\$2,219	\$2,484	\$15,183
PERS UAL	211-30-30-51211	\$6,809	\$7,767	\$8,696	\$8,082
FICA/Medicare	211-30-20-51220	\$2,960	\$2,818	\$3,504	\$3,636
FICA/Medicare	211-30-30-51220	\$1,742	\$1,998	\$1,786	\$2,082
Medical Benefits	211-30-20-51230	\$6,640	\$8,022	\$5,774	\$15,818
Medical Benefits	211-30-30-51230	\$8,780	\$9,753	\$8,867	\$9,623
Life & LTD Insurance	211-30-20-51235	\$456	\$387	\$361	\$499
Life & LTD Insurance	211-30-30-51235	\$246	\$251	\$202	\$274
Workers Compensation Premiums	211-30-20-51240	\$1,748	\$0	\$2,112	\$2,480
Workers Compensation Premiums	211-30-30-51240	\$1,399	\$0	\$1,716	\$2,015
Total Personnel:		\$99,831	\$102,018	\$115,555	\$143,025
Purchased Professional & Technical Services					
Miscellaneous Prof Svcs	211-30-20-52190	\$0	\$0	\$1,250	\$0
Total Purchased Professional & Technical Services:		\$0	\$0	\$1,250	\$0
Other Purchased Services					
Mobile/Wireless Expenses	211-30-20-54220	\$360	\$270	\$0	\$320
Total Other Purchased Services:		\$360	\$270	\$0	\$320
Total Street Improvemnt & Maint:		\$100,191	\$102,288	\$116,805	\$143,345
SBI					
Purchased Property Services					
Infrastructure Maint Svc	212-30-30-53210	\$57,110	\$35,804	\$90,000	\$52,000
Sign & Signal Maint Svc	212-30-30-53220	\$64,604	\$120,987	\$125,000	\$131,800
Total Purchased Property Services:		\$121,714	\$156,792	\$215,000	\$183,800
Other Purchased Services					
Printing & Binding	212-30-20-54410	\$0	\$33	\$0	\$0

Name	Account ID	FY2021 Actual	FY2022 Actual	FY2023 Amended	FY2024 Budgeted
Parcel Tax-Local Approved	207-00-00-40150	\$636,948	\$648,741	\$648,740	\$647,000
Total Property and Other Taxes:		\$636,948	\$648,741	\$648,740	\$647,000
Total Measure H Park & Rec Facilities:		\$636,948	\$648,741	\$648,740	\$647,000
Street Improvemt & Maint					
Property and Other Taxes					
Sales Tax - District Tax	211-00-00-40240	\$1,881,749	\$1,809,481	\$1,503,072	\$1,800,000
Total Property and Other Taxes:		\$1,881,749	\$1,809,481	\$1,503,072	\$1,800,000
Other Revenue					
Other Misc Revenue	211-00-00-48990	\$8,066	\$9,802	\$5,304	\$5,000
Total Other Revenue:		\$8,066	\$9,802	\$5,304	\$5,000
Total Street Improvemt & Maint:		\$1,889,815	\$1,819,283	\$1,508,376	\$1,805,000
SBI					
Intergovernmental Revenue					
SB-1 Road Repair - Revenue	212-00-00-45810	\$462,592	\$462,822	\$550,193	\$561,200
Total Intergovernmental Revenue:		\$462,592	\$462,822	\$550,193	\$561,200
Other Revenue					
Damage Recoveries	212-90-50-48970	\$0	\$3,200	\$0	\$0
Total Other Revenue:		\$0	\$3,200	\$0	\$0
Total SBI:		\$462,592	\$466,022	\$550,193	\$561,200
Public Art Fund					
Intergovernmental Revenue					
State Grant-Operating	213-00-00-45440	\$784	\$0	\$0	\$0
Total Intergovernmental Revenue:		\$784	\$0	\$0	\$0
Other Revenue					
Developer Contributions	213-00-00-48130	\$0	\$32,411	\$0	\$0
Total Other Revenue:		\$0	\$32,411	\$0	\$0
Total Public Art Fund:		\$784	\$32,411	\$0	\$0
Grants					
Intergovernmental Revenue					
Prior Year Revenue - Intergov & Programs	221-00-00-45799	\$0	\$79,161	\$0	\$0
Total Intergovernmental Revenue:		\$0	\$79,161	\$0	\$0
Total Grants:		\$0	\$79,161	\$0	\$0
ARPA Grant Funding					
Intergovernmental Revenue					
Federal Grant-Operating	223-00-00-45410	\$3,051,028	\$3,051,028	\$0	\$0
Total Intergovernmental Revenue:		\$3,051,028	\$3,051,028	\$0	\$0

Name	Account ID	FY2021 Actual	FY2022 Actual	FY2023 Amended	FY2024 Budgeted
Total Measure H Park & Rec Facilities:		\$89,269	\$98,141	\$261,774	\$267,124
Street Improvemt & Maint					
Purchased Professional & Technical Services					
Architect/Engineering Svc	211-90-50-52130	\$78,405	\$36,005	\$535,000	\$0
Miscellaneous Prof Svcs	211-90-50-52190	\$93,012	\$182,346	\$106,250	\$0
Total Purchased Professional & Technical Services:		\$171,417	\$218,350	\$641,250	\$0
Purchased Property Services					
Construction Services	211-90-50-53810	\$32,094	\$569,444	\$638,750	\$2,000,000
Total Purchased Property Services:		\$32,094	\$569,444	\$638,750	\$2,000,000
Other Purchased Services					
Legal Notices & Advertise	211-90-50-54310	\$1,681	\$1,255	\$0	\$0
Printing & Binding	211-90-50-54410	\$507	\$267	\$0	\$0
Total Other Purchased Services:		\$2,188	\$1,522	\$0	\$0
Total Street Improvemt & Maint:		\$205,699	\$789,316	\$1,280,000	\$2,000,000
SBI					
Purchased Professional & Technical Services					
Miscellaneous Prof Svcs	212-90-50-52190	\$40,520	\$111,539	\$180,000	\$0
Miscellaneous Services	212-90-50-52240	\$3,531	\$19,500	\$0	\$0
Total Purchased Professional & Technical Services:		\$44,051	\$131,038	\$180,000	\$0
Purchased Property Services					
Construction Services	212-90-50-53810	\$0	\$277,967	\$310,000	\$915,000
Total Purchased Property Services:		\$0	\$277,967	\$310,000	\$915,000
Other Purchased Services					
Printing & Binding	212-90-50-54410	\$0	\$0	\$1,000	\$500
Total Other Purchased Services:		\$0	\$0	\$1,000	\$500
Supplies					
Infrastructure Supplies	212-90-50-55510	\$0	\$566	\$0	\$0
Total Supplies:		\$0	\$566	\$0	\$0
Total SBI:		\$44,051	\$409,571	\$491,000	\$915,500
ARPA Grant Funding					
Other Financing Uses					
Operating Xfer Out-GEN	223-00-00-59990.101	\$3,051,028	\$3,051,028	\$0	\$0
Total Other Financing Uses:		\$3,051,028	\$3,051,028	\$0	\$0

Table 12-2
2023-24 to 2027-28 Capital Improvement Program
Five-Year Expenditure Plan
(By Funding Source)

	Project #	Category	Adopted 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected Unidentified Year
101 General Fund (for Planning Purposes)								
***	Public Safety Parking Lot Security & Rehab	tbd	FA	114,250	114,250	-	-	-
***	Corporation Yard Improvements	tbd	FA	135,750	-	-	-	-
***	Facilities Seismic & Bldg Repairs	various	FA	500,000	-	-	-	-
***	Parks & Recreation Facilities Master Plan Program	various	PK	190,000	-	-	-	-
***	Swim Center Enhancements	C3050	PK	200,000	-	105,000	-	-
	SUBTOTAL General Fund			1,140,000	114,250	105,000	-	-
204 Measure J Return to Source (CCTA-Transportation)								
***	Richmond Street Improvements	C3080	ST	100,000	-	-	-	-
	Smart & Safe Signals	tbd	ST	170,000	-	-	-	-
	SUBTOTAL Measure J Return to Source			270,000	-	-	-	-
205 Measure J Storm Drain								
	StormDrain Program	C5036	SD	550,000	200,000	200,000	200,000	150,000
	SUBTOTAL Measure J Storm Drain			550,000	200,000	200,000	200,000	150,000
207 Measure H Parks & Recreation Facilities								
***	Parks & Recreation Facilities Master Plan Program	various	PK	-	-	308,988	325,000	325,000
***	Swim Center Enhancements	C3050	FA	-	50,000	695,000	-	-
***	Arlington Park Improvements	tbd	PK	167,124	-	-	-	-
	SUBTOTAL Measure H Parks & Rec			167,124	50,000	1,003,988	325,000	325,000
210 Park/Open Space In-lieu Fund								
***	Parks & Recreation Facilities Master Plan Program	various	PK	-	-	66,012	-	80,000
***	Centennial Park Improvements	C5037	PK	-	355,000	-	-	-
***	Ohlone Greenway Master Plan Program	various	CR	-	150,000	-	263,000	-
	SUBTOTAL Park/Open Space-in-lieu			-	505,000	66,012	263,000	80,000
211 Measure A Street Improvements								
***	Annual Street Improvement Program	C3027	ST	1,000,000	925,500	944,010	962,890	982,148
***	Del Norte TOD Infrastructure Imprvmnts	C4014	ST	600,000	-	-	-	-
***	Traffic Safety & Management Program	C3070	ST	50,000	50,000	50,000	50,000	50,000
***	Richmond Street Improvements	C3080	ST	350,000	-	750,000	-	-
	SUBTOTAL Measure A Street Improvements			2,000,000	975,500	1,744,010	1,012,890	1,032,148
212 SB 1 - Road Maintenance and Rehabilitation Account /Local Streets & Road Program (LSRP)								
***	Arlington Park Improvements	C3081	PK	25,000	-	-	-	-
***	Annual Street Improvement Program	C3027	ST	-	100,000	100,000	100,000	100,000
***	Access Modifications - Streets & Sidewalks	C3024	ST	400,000	250,000	-	250,000	250,000
***	Del Norte TOD Infrastructure Imprvmnts	C4014	ST	400,000	-	-	-	-
***	Active Transportation Program	tbd	ST	25,000	75,000	-	-	-
***	Richmond Street Improvements	C3080	ST	50,000	-	150,000	-	-
***	Local Roadway Safety Plan	tbd	ST	15,000	-	-	-	-
	SUBTOTAL SB 1 - Road Maintenance and Rehabilitation Account			915,000	425,000	250,000	350,000	350,000
*** Indicates finding from multiple sources								

**Table 12-3
Capital Improvement Program Budget**

	Project #	Category	Adopted 2023-24
204 Measure J Return to Source (CCTA-Transportation)			
*** Richmond Street Improvements	C3080	ST	100,000
Smart & Safe Signals	tbd	ST	170,000
SUBTOTAL Measure J Return to Source			270,000
205 Measure J Storm Drain			
Storm Drain Program	C5036	SD	550,000
SUBTOTAL Measure J Storm Drain			550,000
207 Measure H Parks & Recreation Facilities			
Parks & Recreation Facilities Master Plan Program	various	PK	-
Swim Center Enhancements	C3050	FA	-
Arlington Park Improvements	tbd	PK	167,124
SUBTOTAL Measure H Parks & Rec			167,124
211 Measure A Street Improvements**			
Annual Street Improvement Program	C3027	ST	1,000,000
Del Norte TOD Infrastructure Imprvmnts	C4014	ST	600,000
Traffic Safety & Management Program	C3070	ST	50,000
Richmond Street Improvements	C3080	ST	350,000
SUBTOTAL Measure A Street Improvements			2,000,000
212 SB 1 - Road Maintenance and Rehabilitation Account Fund			
Arlington Park Improvements	C3081	PK	25,000
Annual Street Improvement Program	C3027	ST	-
Access Modifications - Streets & Sidewalks	C3024	ST	400,000
Del Norte TOD Infrastructure Imprvmnts	C4014	ST	400,000
Active Transportation Program	tbd	ST	25,000
Richmond Street Improvements	C3080	ST	50,000
Local Roadway Safety Plan	tbd	ST	15,000
SUBTOTAL SB 1 - Road Maintenance and Rehabilitation Account			915,000
301 Capital Improvement Fund (A, Other Sources - Secure)			
Energy & Water Efficiency Program	C3043	AD	13,000
Park Facilities Rehab & Improvement Program	tbd	FA	80,000
Arlington Park Improvements	tbd	PK	192,876
HNAT rail Entry & Signage Improvements	C5038	PK	60,058
Ohlone Greenway Impr - Hill to Blake	C3069	CR	-
Del Norte TOD Infrastructure Imprvmnts	C4014	ST	11,140,003
Richmond Street Improvements	C3080	ST	1,000,000
Local Roadway Safety Plan	tbd	ST	72,000
SUBTOTAL Capital Improvement Fund (A, Other Sources - Secure)			12,557,937
Total Capital Improvement Program Budget Appropriations			\$ 16,460,061

**Also See Public Works & Finance Departments Budget for Non-Capital Expenditures in Annual Program of Maintenance and Improvement pursuant to the Measure A "El Cerrito Pothole Repair and Local Street Improvement and Maintenance" transactions and use tax ordinance.

Capital Outlay Budget

	2020 Actual	2021 Actual	2022 Actual	2023 Amended	2024 Adopted
Fund: 101 General Fund					
5200-Prof Svcs - Purchased Professional & Technical Services	\$25,624	\$0	\$2,745	\$33,500	\$0
5300-Prop Svcs - Purchased Property Services	\$34,153	\$0	\$0	\$26,350	\$0
5600-Prop & Cap - Property & Capital	\$0	\$0	\$0	\$0	\$0
5800-Financing - Financing Costs	\$0	\$0	\$0	\$0	\$0
5900-Oth Financ - Other Financing Uses	\$0	\$0	\$0	\$0	\$0
Fund Total: General Fund	\$59,777	\$0	\$2,745	\$59,850	\$0
Fund: 204 Measure J-Return to Source Fund					
5200-Prof Svcs - Purchased Professional & Technical Services	\$0	\$0	\$0	\$0	\$0
5300-Prop Svcs - Purchased Property Services	\$7,548	\$0	\$0	\$17,500	\$270,000
Fund Total: Measure J-Return to Source Fund	\$7,548	\$0	\$0	\$17,500	\$270,000
Fund: 205 Measure J Storm Drain					
5100-Persn - Personnel	\$3,329	\$5,813	\$0	\$0	\$0
5200-Prof Svcs - Purchased Professional & Technical Services	\$116,623	\$89,956	\$55,686	\$88,000	\$50,000
5300-Prop Svcs - Purchased Property Services	\$16,508	\$332,000	\$25,300	\$220,000	\$500,000
5400-Other Svcs - Other Purchased Services	\$883	\$54	\$91	\$0	\$0
Fund Total: Measure J Storm Drain	\$137,343	\$427,823	\$81,077	\$308,000	\$550,000
Fund: 206 Measure A Parcel Tax					
5200-Prof Svcs - Purchased Professional & Technical Services	\$0	\$0	\$0	\$0	\$0
5300-Prop Svcs - Purchased Property Services	\$20,686	\$0	\$38,848	\$284,658	\$0
5400-Other Svcs - Other Purchased Services	\$0	\$0	\$0	\$0	\$0
5500-Supplies - Supplies	\$0	\$0	\$0	\$0	\$0
5600-Prop & Cap - Property & Capital	\$55,238	\$0	\$0	\$0	\$0
Fund Total: Measure A Parcel Tax	\$75,924	\$0	\$38,848	\$284,658	\$0
Fund: 207 Measure H Park & Rec Facilities					
5200-Prof Svcs - Purchased Professional & Technical Services	\$0	\$0	\$0	\$0	\$0
5300-Prop Svcs - Purchased Property Services	\$0	\$36,928	\$47,721	\$211,774	\$217,124
5500-Supplies - Supplies	\$0	\$250	\$420	\$0	\$0
5600-Prop & Cap - Property & Capital	\$0	\$2,091	\$0	\$0	\$0
5900-Oth Financ - Other Financing Uses	\$0	\$50,000	\$50,000	\$50,000	\$50,000
Fund Total: Measure H Park & Rec Facilities	\$0	\$89,269	\$98,141	\$261,774	\$267,124
Fund: 210 Park In Lieu Fund					
5300-Prop Svcs - Purchased Property Services	\$0	\$0	\$0	\$0	\$0
5500-Supplies - Supplies	\$0	\$0	\$0	\$0	\$0
Fund Total: Park In Lieu Fund	\$0	\$0	\$0	\$0	\$0
Fund: 211 Street Improvemt & Maint					
5100-Persn - Personnel	\$0	\$0	\$0	\$0	\$0
5200-Prof Svcs - Purchased Professional & Technical Services	\$161,179	\$171,417	\$218,350	\$654,956	\$0
5300-Prop Svcs - Purchased Property Services	\$617,398	\$32,094	\$569,444	\$638,750	\$2,000,000
5400-Other Svcs - Other Purchased Services	\$1,811	\$2,188	\$1,522	\$0	\$0
5500-Supplies - Supplies	\$0	\$0	\$0	\$0	\$0
Fund Total: Street Improvemt & Maint	\$780,387	\$205,699	\$789,316	\$1,293,706	\$2,000,000
Fund: 212 SB1-Road Repair & Accountability					
5200-Prof Svcs - Purchased Professional & Technical Services	\$84,852	\$44,051	\$131,038	\$181,859	\$0
5300-Prop Svcs - Purchased Property Services	\$20,242	\$0	\$277,967	\$330,000	\$915,000

Long-Term Debt

The City has various long-term commitments for payments to debt obligations to be repaid from various revenue sources. These obligations are discussed in this section and supported with the June 30, 2022 audited information.

REVENUE BONDS

2017 Sales Tax Revenue Refunding Bonds- Street Improvements

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 2022, pledged sales tax revenues amounted to 1,809,481 which represented coverage of 256% over the debt service of \$706,099. 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.

**Table 13-1
2017 Sales Tax Revenue Refunding Bonds- Street Improvements**

	Original Issue Amount	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022
2017 Sales Tax Revenue Refunding Bond	\$8,650,000	\$7,340,000	\$0	\$350,000	\$6,990,000

**Table 13-2
Future debt service payments on the 2017 Sales Tax Revenue Refunding Bonds – Street Improvements**

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$360,000	\$342,100	\$702,100
2024	\$380,000	\$327,700	\$707,700
2025-2036	\$6,250,000	\$2,214,250	\$8,464,250
Total	\$6,990,000	\$2,884,050	\$9,874,050

2017 Certificates of Participation (2006 City Hall Lease Refinancing)

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.

Citizen Street Oversight Committee

Standing Rules

2020 – 4

Adopted September 28, 2020

1. Regular meetings shall be held on the following dates:
 - a. 2nd Monday in May [Revised 9/28/20]
 - b. 4th Monday in September
 - c. 2nd Monday in November
2. Regular and special meetings shall be held in the El Cerrito City Hall at 7:00 pm in a room designated on the agenda.
3. Regular meetings may be canceled by a majority vote of the Committee at a previous meeting or by the Chair, at anytime that a quorum cannot be attained.
4. Special meetings may be scheduled by the Chairperson or by a majority vote of the Committee at a previous meeting.
5. A quorum is 3 committee members.
6. Summary minutes shall be kept by the staff liaison or delegate. In the event the staff liaison is not present another person shall be designated as acting secretary by majority vote. Minutes shall reflect all key discussion points, indicate all motions made and by whom, including seconders, and the results of any votes.
7. The Committee may utilize source documents in its review of Street Fund revenues and expenditures (e.g. report from the State Board of Equalization, expense reports, contractor invoices) [Revised 9/28/20].
8. The Committee may request that the auditor provide any underlying documents examined for the audit.
9. Administrative services to implement the provisions herein shall be provided by city staff as per ordinance 2.04.320, paragraph F.
10. In the event that the City liaison fails to appear at any properly called meeting the Chair shall report to the City Manager that the Committee is unable to perform its designated function and the reason for that failure seeking corrective action. If no corrective action is taken, the Chair shall notify the City Council.
11. All aspects of the conduct of the Committee shall be in compliance with the Brown Act or any other governing authority. In the event that any member has a question as to the legality of a procedure, that member shall pose that question to the chair who shall then seek a clarification from the staff liaison.
12. Should any portion of these rules be deemed to be illegal, that portion shall be deleted from these rules; the remainder remaining full force and effect. In such an event the intent of the deleted rule shall be reinstated in legal form, with

minimum alterations, and such modified provision shall be incorporated in these rules. It shall be the duty of the Chair to implement this rule subject to a majority vote to approve said implementation at the next regular or special meeting.

13. The election of the chairperson and vice chairperson shall be done at the first regular meeting of each calendar year. The term of office shall be for the next period terminating at the anniversary of the current meeting. Only the members of the Committee shall have a vote.
14. No individual shall hold any one elective office for more than two successive terms. When one intervening term shall have elapsed any member may again hold any office from which service was denied by the limitations imposed by this rule. In the event that new officers cannot be selected, the incumbents may serve for an additional term.
15. These rules shall be reviewed and possibly modified at the September meeting. Members may propose revisions any time, preferably in writing. Any such proposal shall be voted upon at the following meeting. Versions shall be numbered and bear the date of the meeting at which they were adopted. Only Members shall have a vote as to the matter covered in this rule.
16. The proposed Agenda for any upcoming Committee Meeting shall be transmitted to the Committee Chair so as to arrive not less than ten (10) calendar days prior to the scheduled date of the meeting. Any changes made by the Chair shall be transmitted to staff liaison not less than seven (7) calendar days before the scheduled date of the meeting. [Added 9/30/14]