THE CITY OF EL CERRITO

FINANCE DEPARTMENT

Staff Liaison
Crystal Reams | 510-215-4312
creams@ci.el-cerrito.ca.us

AGENDA

REGULAR MEETING OF THE **FINANCIAL ADVISORY BOARD (FAB)**

Tuesday, April 29, 2025 at 6:30 p.m.
City hall, Council Chambers
10890 San Pablo Avenue
El Cerrito, CA 94530

This Meeting Place is Wheelchair Accessible

6:30 p.m. CONVENE REGULAR MEETING

1. **ROLL CALL –** Chair Kimberly White; Vice-Chair David Carvel Members Nate Schaffran and Michael McDougall.

2. **ORAL COMMUNICATIONS FROM THE PUBLIC**
   Remarks are typically limited to three (3) 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. **COUNCIL/STAFF LIAISONS ANNOUNCEMENTS AND REPORTS** *(5 min.)*
   (Attachment)
   Staff and/or Councilmembers may report Council policies, priorities and significant actions taken by the City Council, and/or on matters of general interest to the FAB.

   Staff updates:
   - FY25-26 General Fund Budget Study Session
   - Federal funding updates
   - FY25 Third Quarter Cash & Investment Report

4. **APPROVAL OF THE MINUTES** (*5 min.) (*Attachment)
   Consider a motion adopting the minutes for the FAB meeting held on March 25, 2025.

5. **INTERVIEW OF YOUTH MEMBER** *(15 min.)* (Attachment)
   Conduct an informal interview for Financial Advisory Board Youth Applicant Clive Watson-Lamprey Singer, discuss the application received, and consider possible action.

6. **BUDGET CYCLE RECOMMENDATIONS** *(15 min.)* (Attachment)
   Discuss and possible action regarding recommendations to Council.

7. **AD-HOC COMMITTEE PURCHASING ORDINANCE UPDATE** *(30 min.)*
   Ad-hoc committee to discuss updates.

8. FUTURE AGENDA ITEMS *(5 min.)*

- Purchasing Ordinance Review 1988-5 4.04
- Budget cycle recommendations
- Federal funding updates

9. ADJOURNMENT

From: [redacted]
To: Crystal Reams
Subject: public comments
Date: Friday, April 18, 2025 10:34:31 AM

Caution! This message was sent from outside your organization.

Hi Crystal,

I am submitting the following comments into the record:

the Fab is Invited to the Contra Costa Mayors Conference on May 1st at 6:30 PM at the Pleasant Hill Library

$70.00 Per Person RSVP is 4-23-2025

Also Richmond Community Foundation Connects Kick-Off Party 4-26-2025 At Contra Costa College's Fireside Hall

3:30 to 6:00 PM free, RSVP is Required

Sincerely
Cordell

From: [redacted]
To: Crystal Reams
Cc: [redacted]; William Ktsanes; Lisa Motoyama; Rebecca Saltzman
Subject: FAB (4/29/2025) Items not on the agenda
Date: Friday, April 25, 2025 11:22:34 AM
Attachments: FAB 20250429.docx
3.2.2021 City of El Cerrito CalPERS Retirement Plan Presentation.pdf
pars_statement_2024_04_30.pdf
pars_statement_2024_12_31.pdf
pars_statement_2025_03_31.pdf

This sender is trusted.

The usual finance policy process is senior management comes up with an idea. Then the council rubber stamps it. The community and FAB are irrelevant. I hope that FAB members will decide to become more engaged in financial issues and show up to council meetings and SPEAK UP.

2013 El Cerrito Credit Rating: AA-

2018 El Cerrito Credit Rating: A-

2025 El Cerrito Credit Rating: BBB

What is El Cerrito's credit rating goal?

What is El Cerrito's strategy for achieving that goal?

2023 (Valuation Date) UAL Pension Liability: $89,246,893

2018 UAL Pension Liability: $67,094,347

Change: $22,152,546

Percent Change: 33%

2026 UAL Pension Liability Payment (Payment Year): $7,999,538

2018 UAL Pension Liability Payment: **$3,169,254**

Change: **$4,830,284**

Percent Change: 152%

Projected payments are expected to soon exceed $10 million.

2026 General Fund Expenditures: $53,764,017

2018 General Fund Expenditures: $39,112,429

Change: $14,651,588

Percent Change: 37%

Section 115 Trust

4/10/2024 Deposit: $1,358,099.00

3/31/2025 Balance: **$1,400,160.61**

Change: $42,061.61

Percent Change: 3.1%

State of California LAIF: 4.48%

One Month Treasure Rate: 4.33%. One year ago it was 5.49%.

Payments to the city's financial consulting firm and staff time are not included, so the net return is really lower. Looking at the statements, it appears as though the last few months have experienced significantly more volatility than the first few months. I think FAB members need to understand why.

https://www.calpers.ca.gov/page/employers/actuarial-resources/public-agency-actuarial-valuation-reports

UAL Source

Major Benefit Options

City	Plan	Benefit Formula	Final Average Compensation Period
El Cerrito	Safety Plan	3% @ 50	One Year
El Cerrito	Miscellaneous	2.7% @ 55	One Year
El Cerrito	PEPRA Safety Fire Plan	2.7% @ 57	Three Year
El Cerrito	PEPRA Safety Police Plan	2.7% @ 57	Three Year
El Cerrito	PEPRA Miscellaneous Plan	2% @ 62	Three Year
Albany	Safety Fire Plan	3% @ 55	One Year

Albany	Safety Fire Second Tier Plan	3% @ 55	Three Year
Albany	Safety Police Plan	3% @ 55	One Year
Albany	Miscellaneous First Tier Plan	2.5% @ 55	Three Year
Albany	Miscellaneous Second Tier Plan	2% @ 60	Three Year
Albany	PEPRA Safety Fire Plan	2.7% @ 57	Three Year
Albany	PEPRA Safety Police Plan	2.7% @ 57	Three Year
Albany	PEPRA Miscellaneous Plan	2% @ 62	Three Year

The budget deficits and overspending would have been much worse except the city government has cut services and allowed a significant infrastructure decline.

Senior Center permanently shut down.

Pavement Condition Index 2023: 68

Pavement Condition Index 2018: 82

Ohlone Greenway is now in a state of significant disrepair.

Swimming pool needs $2 million in repairs.

Fire Department needs $1 million for a new truck

The city cannot afford to fix the audio-visual equipment in the council chambers.

The city cannot afford to tear down the church that it paid well over $1 Million for.

I recommend that FAB members consider doing the following.

Review the state auditor’s comments about Pension Liability.

Understand why the state auditors gave El Cerrito a ZERO for future pension liability.

Watch the March 2, 2021 financial consultant’s presentation on the UAL and read the slides.

Understand the assumptions underlying the UAL calculation and determine why the liability has sharply increased even though the city makes minimum payments.

Learn how to use the CalPERS UAL tool in order to do scenario analysis.

Come up with a plan to deal with the pension liability as it “crowds out” services.

I recommend that FAB members become more engaged and speak out at council meetings. Right now, there is close to zero citizen engagement when financial issues are before the council. If FAB members wish to make a difference, then they need to become more vocal at council meetings.

Ira Sharenow
El Cerrito, CA

From: [redacted]
To: Crystal Reams
Subject: Public Comments
Date: Friday, April 25, 2025 11:30:17 AM

Caution! This message was sent from outside your organization.

Hello Crystal,

I am Sending you some comments into the Record:

1. the FAB is Invited to the Contra Costa Mayors Conference on June 5th at 6:30 PM hosted by the city of San Ramon

$70.00 Per Person RSVP is Required

2. Also the National Night Out on August 5th Hosted by the City of Hercules

Sincerely
Cordell