Item 3

AGENDA BILL

Agenda Item No. 9.A.

Date: February 4, 2025
To: El Cerrito City Council
From: Crystal Reams, Finance Director/City Treasurer, Finance Department
Subject: FY 2024-25 Second Quarter General Fund Budget Quarterly Update through December 2024

ACTION PROPOSED

Receive and file an update on City General Fund revenues and expenses for FY 2024-25 through December 2024.

BACKGROUND AND ANALYSIS

The El Cerrito City Council adopted an annual Budget for FY 2024-25 on June 18, 2024, as part of the FY 2024-25 and 2025-26 Biennial Budget. The Council has closely monitored the City's budget and financial position and directed City staff to submit quarterly General Fund financial update reports.

The General Fund Update (Attachment 1) includes information on revenues and expenditures and lists the year-to-date totals by classification and by department. This report summarizes the major General Fund revenue and expenditure categories through December 31, 2024 on a cash basis (excluding the pre-payment of the City's UAL) and includes comparisons to the prior year's actuals. Similar to the second quarter reports from prior fiscal years, revenue cycles for many revenue sources - including property taxes - occur in the second, third and fourth quarters of the fiscal year. Consequently, revenue receipts are not realized in equal quarterly amounts.

The following are FY 2024–25 highlights occurring for the report period of July 1, 2024, through December 31, 2024, and reflect preliminary unaudited cash basis information:

1. Total revenue was $22.4 million, approximately 44% of the adopted FY 2024-25 budget. As a reminder, property taxes are the City's largest income category and are received in December and April each year. The majority of revenues are non-departmental, as they are general and not allocated to one department.

2. Real property transfer taxes collected through November (cash basis) are $1.1 million which is 38% of the adopted FY 2024-25 budget. This is in line with what was collected in the second quarter of FY 2023-24 at 39% of the adopted budget.

3. Total expenditures were $26.7 million, approximately 51% of the adopted budget, which is slightly lower than the 52% from the second quarter of FY 2023-24. The annual premium for workers' compensation, which was previously paid in two installments, was paid in one installment for FY 2023-24.

4. Personnel costs of $19.7 million include all personnel related costs. Personnel is the largest component of General Fund expenditures (73%). Currently, the City has a 8.55% vacancy rate.

STRATEGIC PLAN CONSIDERATIONS

This report is consistent with the City's Strategic Plan Goal High-Performing Organization: Ensure the City maintains a strong financial position – and will allow the City Manager to develop a plan to ensure that Citywide revenue meets the cost of providing Citywide services, including adequate reserves in the face of significant unanticipated revenue shortfalls. It further ensures procedures that represent best practices in financial management.

ENVIRONMENTAL CONSIDERATIONS

This section is not applicable to this agenda item.

FINANCIAL CONSIDERATIONS

The unaudited FY 2024-25 General Fund Second Quarter Update reflects revenues totaling $22.4 million (44% of budget), and expenditures at a total of $26.7 million (51% of budget). The projected unaudited year-end total fund balance is estimated to be $21.9 million; this includes $9 million designated for the EDRF and $1.37 million in the Section 115 Trust.

LEGAL CONSIDERATIONS

This section is not applicable to this agenda item.

Reviewed by:

Karen Pinkos, City Manager

Attachments:

1. FY 2024-25 2nd Quarter General Fund Update

General Fund Budget Update

Quarter 2 FY 2024-25

10/01/24 – 12/31/2025

INTRODUCTION

The City of El Cerrito is pleased to submit the Quarter 2 FY 2024-25 General Fund Budget Update, for the period 10/01/24 through 12/31/24. The report provides a high-level overview of the City's status on the budget, with expenditures by department, showing unaudited actuals.

GENERAL FUND REVENUES

FY 2024-25 General Fund revenue is budgeted at $51.4 million. Table 1 shows the year-to-date revenues by classification, and Table 2 shows the year-to-date revenues by department. As of December 31, 2024, tax revenues are at 38% of budget, which is 5% lower than the second quarter of FY24. Property tax and Franchise tax are slightly under when compared to the prior quarter 2 actuals. Real Property Transfer tax (through November) is up over 17% when compared to the prior quarter 2 actuals. Overall General Fund Revenues for Quarter 2 are at 44% of the total FY 2024-25 Adopted Budget, which is in line with the 43% received for Quarter 2 FY 2023-24.

Table 1 reflects real property transfer taxes through November, as December funds (totaling $313,983) were received in January and will be reflected in the FY 2024-25 third quarter update. Adding the December real property transfer tax funds to the Quarter 2 revenue actuals results in year-to-date revenue of $1,456,789 or 49% of the Adopted Budget. Property transfer taxes are trending as expected. Staff will continue to monitor revenue streams closely and will report back to the City Council as necessary.

Table 1
General Fund Revenue – Classification
Quarter 2

Classification	Budget Amount	YTD – Q2 Actuals	% of Budget	Prior YTD – Q2 Actuals
Property Taxes	$16,461,935	$6,229,490	38%	$5,993,855
Sales Taxes	4,517,790	1,490,431	33%	1,400,263
Transient Occupancy Taxes	100,000	32,058	32%	25,353
Measure R Sales Tax	4,459,000	1,393,404	31%	1,366,271
Franchise Taxes	1,380,000	378,026	27%	619,999
Business License Taxes	1,182,817	1,091,059	92%	1,027,522
Property Transfer Taxes	3,000,000	1,142,806	38%	891,844
Utility Users' Taxes	3,694,260	1,405,934	38%	1,374,064
Other Taxes	1,500	-	0%	1,769
Taxes Totals	**$34,797,302**	**$13,163,208**	**38%**	**$12,700,940**
Licenses & Permits	1,007,000	847,094	84%	701,895
Fines & Forfeitures	130,000	82,035	63%	98,232
Use of Money and Property	957,000	277,563	29%	344,411
Intergovernmental Revenues	5,334,401	2,748,080	52%	1,800,337
Charges for Services Totals	7,528,702	4,592,047	61%	4,503,760
Other Revenue Totals	630,000	174,578	28%	233,291
Other Financing Sources Totals	1,002,039	501,020	50%	488,591
Totals	**$51,386,444**	**$22,385,625**	**44%**	**$20,871,457**

Table 2
General Fund Revenues – Department
Quarter 2

Revenue	Budget Amount	YTD – Q2 Actuals	% of Budget	Prior YTD – Q2 Actuals
Administration	$11,500	$10,468	91%	$5,988
Community Development	2,517,396	1,712,862	68%	1,790,697
Fire	5,384,101	2,774,088	52%	1,820,520
Non-departmental	37,083,964	13,818,475	37%	13,483,306
Police	186,000	116,013	62%	116,506
Public Works	599,132	241,593	40%	432,146
Recreation	5,604,351	3,712,126	66%	3,222,294
Totals	**$51,386,444**	**$22,385,625**	**44%**	**$20,871,457**

GENERAL FUND - EXPENDITURES

General Fund expenditure budgets have been amended to $52.3 million for FY 2024-25. Tables 3 and 4 show the expenditures year-to-date by classification and by department, respectively. Departments are on track for Quarter 2 at 51% of budgeted expenditures. This is slightly below the Quarter 2 FY 2023-24 expenditures at 52%.

The City Council-approved budget amendments through December 31 include $603,425 in purchase orders from FY 2023-24, the SEIU contract settlement of $36,622, and the PEA & PSMA contract settlement of $354,860. These amounts, netted with the original projected surplus of $33,952, create a projected deficit of $960,955.

As in previous fiscal years, Personnel is the largest component of General Fund expenditures (73%). Departments have continued to fill vacant positions, and we are now trending at 52% of budgeted expenditures. This is slightly higher than Quarter 2 FY 2023-24 at 51%.

The City has previously paid the annual workers compensation premium in two annual installments. This year the City paid the entire $1 million premium at the beginning of the fiscal year which was allocated to departments as of the payment date; this increased expenditures by about $500,000 compared to the prior fiscal year. In Table 3, the actual expenditures reflected in the "Other Purchased Services" classification includes the one-time full fiscal year's annual insurance premiums which are paid each year in July; in Table 4 expenditures reflected for the Administration Department include the one-time full fiscal year's annual payments. The City also pre-paid the CalPERS UAL contribution in full for FY 2024-25 at the beginning of the fiscal year. Since the UAL payment is significant in its amount of $6.9 million, the City elected to record this as a pre-paid amount and an allocation is done monthly to show a more accurate representation for budget comparison, as this is how it was presented in previous fiscal years.

Table 3
General Fund Expenditures – Classification
Quarter 2

Classification	Budget Amount (Amended)	YTD – Q2 Actuals	% of Budget	Prior YTD – Q2 Actuals
Personnel	$38,019,416	$19,738,152	52%	18,003,966
Purchased Professional & Technical Services	5,298,500	2,060,535	39%	2,652,663
Purchased Property Services	2,258,877	957,593	42%	948,360
Other Purchased Services	3,859,771	2,939,699	76%	2,553,970
Supplies	876,170	344,096	39%	328,438
Property & Capital	736,513	103,425	14%	186,128
Financing Costs	$539,822	$175,952	33%	$300,190
Other Financing Uses	758,329	379,165	50%	291,382
Totals	**$52,347,399**	**$26,698,616**	**51%**	**$25,265,097**

Table 4
General Fund Expenditures – Department
Quarter 2

Expenditures	Budget Amount (Amended)	YTD – Q2 Actuals	% of Budget	Prior YTD – Q12 Actuals
Administration	$7,729,678	$4,560,781	59%	$4,623,611
Community Development	$4,133,728	1,669,001	40%	2,097,631
Fire	$15,338,246	8,357,032	54%	7,028,537
Non-departmental	$882,691	395,703	45%	445,272
Police	$15,052,742	7,283,638	48%	6,751,421
Public Works	$2,481,847	1,113,544	45%	1,235,471
Recreation	$6,728,467	3,318,918	49%	3,083,154
Total	**$52,347,399**	**$26,698,616**	**51%**	**$25,265,097**

GENERAL FUND BALANCE

Fiscal Year 2023-24 has since been finalized, and the projected deficit of $6.3 million has been updated to an actual deficit of $250,147. The updated General Fund balance is $22.89 million at the close of FY 2023-24. The City Council had approved various one-time expenditures for the purchase of buildings/land, deferred maintenance, and other one-time items. The one-time items were completed, but greater than anticipated revenues and the prudent acts of departments to minimize expenditures reduced the projected deficit by over $6 million. Table 5 illustrates the updated projections for the General Fund balance. Taking into consideration the newly updated Comprehensive Financial Policy that updated the minimum General Fund Reserve amount from 10% to 17%, the City will need to have $9.1 million in reserves, leaving just under $2.3 million in discretionary spending for FY 2024-25.

Table 5
General Fund Fund Balance
Quarter 2

Fund Balance Projection	
FY24 General Fund Fund Balance (actual)	**$ 22,893,338**
EDRF	(9,000,000)
Section 115	(1,372,890)
Non-Spendable	(126,751)
FY24 Unrestricted Fund Balance	**12,393,697**
FY25 Projected Deficit	(960,955)
Projected Total FY25 Fund Balance	21,932,383
EDRF (Internally Restricted)	(9,000,000)
Section 115 (Restricted)	(1,372,890)
Non-Spendable	(126,751)
Projected FY25 Unrestricted Fund Balance	11,432,742
FY26 Expenditure Proposed Budget	53,764,017
FY26 17% Reserve Goal	9,139,883
Projected discretionary for FY25 midyear	2,292,860
FY 25 Projected Ending Total GF FB	**$ 21,932,383**

CONCLUSION

The City of El Cerrito is currently on track to meet our FY 2024-25 budget goals. Revenues are not received in equal quarterly releases, primarily due to the biannual funding cycle (December and April) for property taxes. Expenditures are on track, with departments spending approximately 51% of their annual budget in Quarter 2.

Staff will be working with departments to bring any necessary adjustments to the Mid-year budget presentation on March 4, 2025.

Item 3

Mayor
Lisa Motoyama
Mayor Pro Tem
Tessa Rudnick

THE CITY OF EL CERRITO

AGENDA

Councilmembers
Paul Fadelli
Gabriel Quinto
Carolyn Wysinger

TUESDAY, AUGUST 15, 2023

SPECIAL CITY COUNCIL MEETING (5:00 PM)
Hillside Conference Room - 10890 San Pablo Ave, El Cerrito

Join Via Zoom:
https://us06web.zoom.us/j/88356546802?pwd=K0VRczVrZng2R3hLaWtmSFdTVVBRZz09
Meeting ID: 883 5654 6802 **Password:** 812934 **Dial in:** 1-408-638-0968

REGULAR CITY COUNCIL MEETING (6:00 PM)
City Council Chambers - 10890 San Pablo Ave, El Cerrito

Join Via Zoom:
https://us06web.zoom.us/j/87060673799?pwd=TWdzN1BxNFl4eWlLdEhQQ2hPZ1R3UT09
Meeting ID: 870 6067 3799 **Password:** 667066 **Dial in:** 1-408-638-0968

View (Regular Meeting Only):
1. Cable T.V. Broadcast on KCRT Channel 28
2. Livestream Online at www.el-cerrito.org/CouncilMeetingMaterials

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

Conduct: This meeting shall be conducted pursuant to the El Cerrito City Council Rules of Order and Procedure, including adjourning by 11:00 PM unless extended to a specific time determined by a majority of the Council.

Public Comments:
1. *In-person* by submitting a request to speak to the City Clerk.
2. *Via Zoom* using the "Raise Hand" icon to request to speak.
3. *By Phone* at 1-408-638-0968, dial ***9** to "raise your hand".
4. *By Email* to cityclerk@ci.el-cerrito.ca.us identified in the subject line as **Public Comments – Agenda Item #.**

Written comments received by **2:00 p.m. the day of the meeting** will be provided to the City Council and posted online in advance of the meeting. Comments received after the deadline will be provided to the City Council and will be posted **after the meeting.**

5:00 PM ROLL CALL - CONVENE SPECIAL CITY COUNCIL MEETING

1. **CONSIDER AND TAKE ACTION ON ANY REQUEST FROM A COUNCILMEMBER TO PARTICIPATE IN THE MEETING REMOTELY DUE TO EMERGENCY CIRCUMSTANCES PURSUANT TO AB 2449**

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

3. **CLOSED SESSION CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
   Pursuant to Government Code Section 54956.8

   Property: 10936 San Pablo Ave El Cerrito, CA 94530 (Assessor Parcel Number 502-411-006)
   Agency negotiators: Karen Pinkos, City Manager; Melanie Mintz, Community Development Director
   Negotiating parties: Life in Christ International Ministry of the Assemblies of God
   Under negotiation: Price and terms
   Contact: Sky Woodruff, City Attorney, City Management

4. **ADJOURN SPECIAL CITY COUNCIL MEETING**

6:00 PM ROLL CALL – CONVENE REGULAR CITY COUNCIL MEETING

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

2. **CONSIDER AND TAKE ACTION ON ANY REQUEST FROM A COUNCILMEMBER TO PARTICIPATE IN THE MEETING REMOTELY DUE TO EMERGENCY CIRCUMSTANCES PURSUANT TO AB 2449**

3. **TELECONFERENCE AND PUBLIC COMMENT INSTRUCTIONS**

4. **COUNCIL/STAFF COMMUNICATIONS**
   Reports of closed session, commission appointments and informational reports on matters of general interest which are announced by the City Council and staff.

5. ORAL COMMUNICATIONS FROM THE PUBLIC

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

6. PRESENTATIONS

A. Pacific Gas and Electric (PG&E) Presentation

Action Proposed: Receive and file a presentation from Pacific Gas and Electric (PG&E) on the agency's programs, local projects and updates relevant to El Cerrito.
Contact: Sarah Yoell, Local Government Affairs Manager – Bay Area; Ed Aparis, Local Government Affairs Representative, Pacific Gas and Electric

7. ADOPTION OF THE CONSENT CALENDAR

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

A. Crime Prevention Committee Appointment of Jon Bashor

Action Proposed: Approve a Crime Prevention Committee recommendation to appoint Jon Bashor to the Crime Prevention Committee, effective August 15, 2023.
Contact: Sergeant Aaron Leone, El Cerrito Police Department

B. International Overdose Awareness Day Proclamation

Action Proposed: Approve a proclamation recognizing August 31, 2023 as International Overdose Awareness Day.
Contact: Holly M. Charléty, City Clerk, City Management

C. Resolution in Support of Exonerating Port Chicago 50

Action Proposed: At the request of Mayor Motoyama, adopt a resolution to support local, state, and federal efforts to exonerate Port Chicago 50.
Contact: Holly M. Charléty, City Clerk, City Management

D. Final Subdivision Map for one-lot, six residential condominium subdivision at 601 Lexington Avenue
Exempt from CEQA pursuant to Section 15268(b)(3)

Action Proposed: Adopt a resolution approving the Final Subdivision Map for a one-lot subdivision consisting of 6 condominiums in the Multifamily (RM) zoning district at 601 Lexington Avenue.
Contact: Diego Romero, Associate Planner; Sean Moss, Planning Manager, Community Development Department

E. Funding Agreement between the Contra Costa Transportation Authority and City of El Cerrito for Cost Sharing Commitments to Design and Construct the Countywide Smart Signals Project

Action Proposed: Adopt a resolution approving the funding agreement between the Contra Costa Transportation Authority and the City of El Cerrito for Cost Sharing Commitments to Design and Construct the Countywide Smart Signals Project, and authorizing the City Manager to execute the agreement in a form approved by the City Attorney.
Contact: Marielle Cuison, Associate Engineer; Yvetteh Ortiz, Public Works Director/City Engineer, Public Works Department

F. Amendment to Professional Services Agreement with Krisch & Company for Temporary Finance Staffing

Action Proposed: Adopt a resolution to authorize the City Manager to amend the professional services agreement with Krisch & Company (formerly Maze and Associates) for temporary Finance staffing support by $230,134 for a total amount not to exceed amount of $480,134.
Contact: Crystal Reams, Finance Director/City Treasurer

G. Monthly Disbursement and Check Register Report for April - July 2023

Action Proposed: Receive and file the Monthly Disbursement and Check Register Report for the months of April 2023 through July 2023.
Contact: Crystal Reams, Finance Director/City Treasurer, Finance Department

H. FY 2022-23 Fourth Quarter Cash and Investment Report

Action Proposed: Receive and file the City's second quarterly cash and investment report for the period April 1, 2023 through June 30, 2023.
Contact: Crystal Reams, Finance Director/City Treasurer, Finance Department

8. PUBLIC HEARINGS

A. Contract Amendment between the City of El Cerrito and the Board of Administration of The California Public Employees' Retirement System (CalPERS) Related to Employee Members of United Professional Firefighters Association (Local 1230)
Notice Published 8/5/2023

Action Proposed: Conduct a public hearing and upon conclusion 1) adopt a Resolution of Intention to amend the contract between the City of El Cerrito and the Board of Administration of the California Public Employees' Retirement System (CalPERS), for all employees in the United Professional Firefighters Association (Local 1230); and 2) introduce by title and waive any further reading of an Ordinance amending the City's existing California Public Employees' Retirement System (CalPERS) contract.
Contact: Shannon Bassi, Senior Human Resource Analyst, Human Resources

B. Fire Hazard Abatement
Exempt from CEQA review pursuant to Sections 15304 and 15308, Notice published 8/5/2023

Action Proposed: 1) Adopt a resolution declaring weeds, rubbish, litter, or other flammable material on certain real property identified in the resolution constitutes a public nuisance; and 2) Conduct a public hearing and upon conclusion, adopt a resolution overriding objections by property owners and ordering the City Manager or their designee to abate certain public nuisances pursuant to El Cerrito Municipal Code Chapter 16.26.
Contact: Traviss Crumpacker, Fire Prevention Officer; Chase Beckman, Fire Marshal, Fire Department

C. Adoption of the 2023-2031 6th Cycle Housing Element Update
Notice Published 8/5/2023

Action Proposed: Conduct a public hearing and consider adoption of a Resolution amending the El Cerrito General Plan to repeal the 2015-2023 Housing Element and adopt an amended Housing Element for the period of 2023-2031, including consideration of an addendum to the 1999 General Plan Environmental Impact Report (EIR), 2014 San Pablo Avenue Specific Plan EIR and 2022 San Pablo Avenue Specific Plan Supplemental EIR, for certification to the California Department of Housing and Community Development.
Contact: Aissia Ashoori, Housing Manager; Sean Moss, Planning Manager; Melanie Mintz, Community Development Director, Community Development Department

9. POLICY MATTERS

A. Amendment to City Comprehensive Financial Policies Related to Year-End Surpluses and the Emergency Disaster Relief Fund

Action Proposed: Adopt a resolution amending the City of El Cerrito Comprehensive Financial Policies to a) revise Section 2.7 regarding year-end surplus, b) revise section 4.1 regarding the Emergency Disaster Relief Fund.
Contact: Crystal Reams, Finance Director/City Treasurer, Finance Department; Karen Pinkos, City Manager, City Management

B. Study Session on General Fund Reserve Balance

Action Proposed: Conduct a study session and provide direction/possible action to staff regarding the allocation of the City's General Fund Reserve Balance.
Contact: Crystal Reams, Finance Director/City Treasurer; Karen Pinkos, City Manager, City Management

10. CITY COUNCIL LOCAL & REGIONAL LIAISON ASSIGNMENTS

Mayor and City Council communications regarding local and regional liaison assignments, committee reports, and any required reporting under AB 1234 for meetings (as defined by the Brown Act) attended at the public's expense.

11. ADJOURN REGULAR CITY COUNCIL MEETING

The next regularly scheduled City Council meeting is Tuesday, September 19, 2023 at 6:00 p.m.

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

Item 3

AGENDA BILL

Agenda Item No. 9.A.

Date: January 16, 2024
To: El Cerrito City Council
From: Melanie Mintz, Community Development Director, Community Development Department; Karen Pinkos, City Manager
Subject: Purchase Authorization and Budget Appropriation for Property Located at 10936 San Pablo Avenue

ACTION PROPOSED

Adopt a resolution authorizing the City Manager to execute all required documents and agreements associated with the purchase of 10936 San Pablo Avenue - APN 502-411-006 ("Property") with Life In Christian Ministry of the Assemblies of God ("Seller") and to appropriate $1,604,631 from the General Fund Unreserved Balance to complete the acquisition.

BACKGROUND

The Property located at 10936 San Pablo Avenue was built in 1952 and has continuously operated as a religious institution since then. The Property is located between two City-owned parcels: the Public Safety Building to the south and the parking lot to the north, as shown in Figure 1. The City has long had interest in acquiring this Property given its location between both City-owned parcels. The Property is made up of a 10,000 Square Foot (SF) lot that consists of two buildings that total 5,698 SF. The main building comprises 4,498 SF and includes a kitchen, cafeteria, and auditorium. The secondary building is 1,200 SF and is currently utilized as classrooms and offices. The parking lot has housed modular buildings that have served as a temporary site for City Hall, the Midtown Activity Center, and are currently leased by the Kensington Police Department.

Figure 1: Location *Source: City GIS*

Figure 2: Property *Source: City GIS.*

ANALYSIS

On June 20, 2023, the Property was listed for sale by Coldwell Banker Bartels at $1,910,000. The listing notes that the Property is 20,000 SF (0.46 acres) without dedicated parking. Although the future use of the site has not yet been determined, the City's Capital Improvement Program identifies the need to reconstruct the current Public Safety Building and this site plays an important role in making such a project feasible.

During Closed Session on August 15, 2023, the City Council authorized the City Manager and City Attorney to negotiate purchase terms and perform related tasks for acquiring the Property. These tasks included determination of purchase price, site investigations, and other due diligence actions. Due to their extensive experience on the San Pablo Avenue corridor, the City engaged Erik Housh of MRE Commercial Real Estate to serve as the City's real estate agent. Negotiation tasks are itemized in Table 1.

Real Property Acquisition includes:

- Offer Phase: Owner/Agent Contact
- Options Phase: Due Diligence
- Pending Phase: Authorize/Approval of Purchase Price
- Closing Phase: Title and Escrow

Table 1 includes a list of due diligence items that were completed.

Table 1: Due Diligence for 10936 San Pablo Avenue

Inspections	Date	Vendor	Fee/Cost
Appraisal	11/23/2023	Valbridge Property Advisors	$5,500
Phase 1 Environmental Site Assessment	11/22/2023	Ninyo Moore	$4,500
Building Inspection/Facility Assessment	11/22/2023	AEI	$3,000

Land Survey	11/21/2023	Kister Savio & Rei	$5,574
Pest Inspection	11/18/2023	East Bay Structural & Termite	$3,195

Appraisal:
The appraisal concluded the value of the property was $1,290,000 based on the highest/best use of the Property being to demolish the existing buildings and redevelop it. In addition, the gross land area of the Property was determined to be 10,000 SF instead of 20,000 SF as described in the listing. Other possible or likely uses of the site as-is include religious organizations/churches or preschools.

Phase I, ESA:
There was no evidence of recognized environmental conditions (RECs) in connection with the Property.

Building Assessment:
The buildings on the Property were identified overall as in fair condition given the water damage in the secondary building (offices/classrooms). Depending upon use, and whether the secondary building is retained or demolished, short-term repairs are estimated to be approximately $75,000. The Remaining Useful Life (RUL) of the main building is estimated at not less than 30 years. The roof of both buildings has reached the end of useful life (EUL) and will need either short-term repairs or total replacement. Once the transaction is completed, City staff will begin the process of a needs assessment of the buildings on the property to determine future use, if any.

Land Survey:
Initial and secondary field surveys were completed to establish property boundaries.

Pest Inspection:
A pest report identified a number of issues associated with deferred maintenance. The majority of the items were associated with the smaller building. Repairs were estimated at between $75,000 in immediate repair needs and an additional $75,000 over 1-12 years. The principal building (Building 1) had minimal issues, however the smaller building (Building 2) would require significant repair for reuse. Staff obtained estimated costs for demolition of Building 2 at approximately $35,000.

Purchase Price:
On October 13, 2023, the City submitted a Letter of Interest to purchase the property. The seller replied with a counteroffer. After entering into a Purchase and Sale agreement, and through several addendums and negotiation, the City and Seller eventually agreed to a purchase price of $1,500,000 with the City (Buyer) paying all closing costs. The total Buyer’s cost including sales prices and all closing costs is $1,582,862.22.

STRATEGIC PLAN CONSIDERATIONS

The proposed action supports the following Strategic Plan goals:

- *Infrastructure and Amenities*; and
- *Community Safety.*

ENVIRONMENTAL CONSIDERATIONS

The purchase of this Property does not require environmental analysis under the California Environmental Quality Act (CEQA).

FINANCIAL CONSIDERATIONS

The total cost of acquisition, inclusive of both the buyer's cost of $1,582,862 and completion of the due diligence items of $21,769, is $1,604,631. Staff requests a one-time appropriation of $1,604,631 from the General Fund unrestricted Fund Balance to complete this acquisition.

LEGAL CONSIDERATIONS

This item has been reviewed and approved by the City Attorney.

Reviewed by:

Karen E Pinkos

Karen Pinkos, City Manager

Attachments:

1. Resolution
2. Exhibit A to Resolution

Item 4

THE CITY OF
EL CERRITO
FINANCE DEPARTMENT

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

MINUTES

REGULAR MEETING OF THE
FINANCIAL ADVISORY BOARD (FAB)

Tuesday, January 28, 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. CONVENNE REGULAR MEETING

1. **ROLL CALL –** Chair Kimberly White called the meeting to order at 6:34 PM.
   Present: Chair Kimberly White, Vice-Chair David Carvel; Members Farhad Farahmand, Nate Schaffran.
   Absent: None.

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.
   Public Comment:
   Barbara Chan – Wanted to know where the money came from for the purchase of the Church property. Chan did not see the purchase in the budget or on any FAB agenda. Wanted to know how it is being maintained and who is paying for the maintenance and what the plan is for the building. Hopes the FAB will discuss this.

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.
   Councilmember Lisa Motoyama – new council liaison, thanked members and acknowledged their contributions. Thanked Farhad Farahmand for his service as his term on the FAB has ended.

   Finance Director Crystal Reams – ACFR completed still working on reviewing for minor edits. This will be submitted for the GFOA award and posting to the City website.
   December has been closed and the General Fund Update February 4th.
   Working with departments on monthly budget meetings for midyear which will go to Council on March 4th.

   Budget/Financial Services Manager Claire Coleman – Cost allocation plan and fee study, service delivery study; almost done with the cost allocation plan

component, the consultants reviewed with department heads last week in our department head meeting. We will be having meetings with department heads individually to review the specifics to their departments.
Also starting the fee study, compiling the data, hope to have a draft in a month or so.
Also working on the RFP for the service delivery and efficiency study. We can't start the study until the cost allocation and fee study portions are done, but we want to keep things moving. Hope to have all the data by the time we have the next budget cycle.

4. **APPROVAL OF THE MINUTES** (*5 min.) (*Attachment)
   Consider a motion adopting the minutes for the FAB meeting held on December 12, 2024.
   Motion/Second: Member Farahmand/Schaffran.
   Ayes: Chair White, Vice-Chair Carvel, Members Farahmand and Schaffran.
   Noes: None **Absent**: None

5. **2023/2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT** *(30 min.)* (Attachment)
   Receive presentation of the Fiscal Year 2023-24 ACFR, by auditor Sheldon Chavan CPA, Managing Partner, Chavan & Associates LLP.
   Presentation.

6. **WORKPLAN 2025-2026 – 2026/2027** *(30 min.)* (Attachment)
   Discuss and possible action regarding the adoption of the workplan.
   Motion/Second: Member Farhad/Vice-Chair Carvel with edits, page 8 of 17 update Monday Market to Money Market and spelling of secure.
   Ayes: Chair White, Vice-Chair Carvel, Members Farahmand and Schaffran.
   Noes: None **Absent**: None

7. **PURCHASING ORDINANCE REVIEW 1988-5 4.04** *(20 min.)* (Attachment)
   Discuss and possible action regarding purchasing ordinance recommendations.
   No action
   FAB members requested more information on what is the ask and what are the parameters.

8. **BUDGET CYCLE REVISION RECOMMENDATIONS** *(20 min.)*
   Discuss and possible action regarding recommendations on budget cycle timelines during the budget development process to allow for earlier public engagement/input.
   No action

9. **FUTURE AGENDA ITEMS** *(5 min.)*
   Add the following items to future agenda items
   - Purchasing ordinance - recommendations
   - Budget cycle recommendations
   - Add church discussion on – purchase, spending, maintenance, usage plan insurance
   - Section 115 – history reposit from April
   - Federal funding being revoked

10. ADJOURNMENT

Chair White adjourned the meeting at 8:09 PM

This is to certify that this foregoing is a true and correct copy of the minutes of the regular Financial Advisory Board meeting of January 28, 2025, as approved by the Financial Advisory Board.

____

Kimberly White, Chair

____

Crystal Reams, Finance Director

Item 5

AGENDA BILL

THE CITY OF EL CERRITO

Agenda Item No. 7.D.

Date: August 20, 2024
To: El Cerrito City Council
From: Crystal Reams, Finance Director/City Treasurer, Finance Department
Subject: FY 2023-24 Fourth Quarter Cash and Investment Report

ACTION PROPOSED

Receive and file the City's Fourth Quarter Cash and Investment Report for the period April 1, 2024 to June 30, 2024.

BACKGROUND

It is the policy of the City of El Cerrito ("City") to invest public funds in a manner which provides for the safety of the principal while providing enough liquidity to cover the City's short and long-term needs while generating the appropriate yield. All investment activity will conform to the California Government Code, Sections 53601 through 53659.

ANALYSIS

The FY 2023-24 Third Quarter Cash and Investment Report for April 1, 2024 through June 30, 2024 shows that the City's total cash and investments as of June 30, 2024, had a par value of $39,858,870.70 in the following accounts.

- $24,149,872.72 (LAIF)
- $2,069,665.69 (Mechanics Bank) (Includes interest earnings)
  - $16.18 Interest Earned April 2024
  - $10.37 Interest Earned May 2024
  - $23.50 Interest Earned June 2024
- $12,264,092.25 (Mechanics Bank Money Market) (Includes interest earnings)
  - $30,638.77 Interest Earned April 2024
  - $34,766.49 Interest Earned May 2024
  - $36,738.53 Interest Earned June 2024
- $1,372,890.04 (PARS/Section 115 Trust) (Includes earnings)
  - $3,803.91 Interest Earned April 2024
  - $5,977.47 Interest Earned May 2024
  - $5,578.31 Interest Earned June 2024
- $2,350.00 (Petty Cash Funds)

These funds are available to meet operating expenses for the next six months.

STRATEGIC PLAN CONSIDERATIONS

The City's Investment Policy, Comprehensive Financial Policy, and Strategic Plan sets form guidelines for the investment of City funds and aligns with California Government code, Section 53646 and Section 53600-53609. The purpose of the City's Investment Policy is to provide guidelines for prudent investment of the City's idle funds and ensure policies, procedures, systems, and best practices in fiscal management.

This action supports the City's Strategic Plan Goal(s) of:

- *High Performing Organization* by ensure the City maintains a strong financial position and a high-performing organization where employees feel a sense of inclusion and belonging.

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

FINANCIAL CONSIDERATIONS
The Quarterly Cash and Investment Report complies with the City of El Cerrito Investment Policy and California Government Code Section 53646.

LEGAL CONSIDERATIONS
The City's investments comply with standards reflected in the City of El Cerrito Investment Policy.

Reviewed by:

Karen Pinkos, City Manager

Attachments:
1. FY 24 Q4 Quarterly Cash & Investment Report

Attachment A

City of El Cerrito
Quarterly Cash and Investment Report
for the Quarter Ending March 31, 2024

Category	Trustee/Broker	Month Ending	PAR Value (Actual Value)	Quarter End Interest Rate	Market value
Pooled Investments	California State Treasurer	June 30, 2024	$ 24,149,872.72	4.36%	$ 24,149,872.72
Cash with Bank	Mechanics Bank	June 28, 2024	$ 2,069,665.69	0.01%	$ 2,069,665.69
Money Market Account	Mechanics Bank	June 28, 2024	$ 12,264,092.25	4.91%	$ 12,264,092.25
Section 115	PARS/US Bank	June 30, 2024	$ 1,372,890.04	N/A	$ 1,372,890.04
Petty Cash Funds	City Management	June 30, 2024	$ 2,350.00	N/A	$ 2,350.00
Total Cash and Investments			**$ 39,858,870.70**		**$ 39,858,870.70**

I certify that this report is in compliance with the City of El Cerrito Investment Policy and the California government Code Section 53646.
The City has sufficient cash to meet the next six months of estimated expenditures as required by the Code.

Crystal Reams

Crystal Reams, Finance Director/City Treasurer

Item 5

AGENDA BILL

Agenda Item No. 7.B.

Date:	November 19, 2024
To:	El Cerrito City Council
From:	Crystal Reams, Finance Director/City Treasurer, Finance Department
Subject:	FY 2024-25 First Quarter Cash and Investment Report

ACTION PROPOSED

Receive and file the City's First Quarter Cash and Investment Report for the period July 1, 2024 to September 30, 2024.

BACKGROUND

It is the policy of the City of El Cerrito to invest public funds in a manner which provides for the safety of the principal while providing enough liquidity to cover the City's short and long-term needs while generating the appropriate yield. All investment activity will conform to the California Government Code, Sections 53601 through 53659.

ANALYSIS

The FY 2024-25 First Quarter Cash and Investment Report for July 1, 2024 through September 30, 2024 shows that the City's total cash and investments as of September 30, 2024, had a par value of $27,205,00.02 in the following accounts.

- $19,422,355.03 (LAIF)
- $6,314,352.46 (Mechanics Bank) (includes interest earnings)
    - $18.14 Interest Earned July 2024
    - $23.82 Interest Earned August 2024
    - $27.96 Interest Earned September 2024
- $76,964.13 (Mechanics Bank Money Market) (includes interest earnings)
    - $49,014.58 Interest Earned July 2024 *
    - $8,829.79 Interest Earned August 2024
    - $5,027.51 Interest Earned September 2024
- $1,389,578.40 (Section 115 Trust PARS/US Bank) (includes earnings)
    - $5,689.11 Earned July 2024
    - $5,635.97 Earned August 2024
    - $5,363.28 Earned September 2024
- $2,350.00 (Petty Cash Funds)

These funds are available to meet operating expenses for the next six months.

*The money market account had a $12 million balance in July for annual prepayment of UAL, general liability and workers compensation.

STRATEGIC PLAN CONSIDERATIONS
The City's Investment Policy, Comprehensive Financial Policy, and Strategic Plan sets form guidelines for the investment of City funds and aligns with California Government code, Section 53646 and Section 53600-53609. The purpose of the City's Investment Policy is to provide guidelines for prudent investment of the City's idle funds and ensure policies, procedures, systems, and best practices in fiscal management.

This action supports the City's Strategic Plan Goal(s) of:

- *High Performing Organization* by ensure the City maintains a strong financial position and a high-performing organization where employees feel a sense of inclusion and belonging.

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

FINANCIAL CONSIDERATIONS
The Quarterly Cash and Investment Report complies with the City of El Cerrito Investment Policy and California Government Code Section 53646.

LEGAL CONSIDERATIONS
The City's investments comply with standards reflected in the City of El Cerrito Investment Policy.

Reviewed by:

Karen Pinkos, City Manager

Attachments:
1. FY 25 Q1 Quarterly Cash & Investment Report

Attachment A

City of El Cerrito
Quarterly Cash and Investment Report
for the Quarter Ending September 30, 2024

Category	Trustee/Broker	Month Ending	PAR Value (Actual Value)	Quarter End Interest Rate	Market value
Pooled Investments	California State Treasurer	September 30, 2024	$ 19,422,355.03	4.56%	$ 19,422,355.03
Cash with Bank	Mechanics Bank	September 30, 2024	$ 6,314,352.46	0.01%	$ 6,314,352.46
Money Market Account	Mechanics Bank	September 30, 2024	$ 76,964.13	4.91%	$ 76,964.13
Section 115	PARS/US Bank	September 30, 2024	$ 1,389,578.40	N/A	$ 1,389,578.40
Petty Cash Funds	City Management	September 30, 2024	$ 2,350.00	N/A	$ 2,350.00
Total Cash and Investments			**$ 27,205,600.02**		**$ 27,205,600.02**

I certify that this report is in compliance with the City of El Cerrito Investment Policy and the California government Code Section 53646.
The City has sufficient cash to meet the next six months of estimated expenditures as required by the Code.

Crystal Reams

Crystal Reams, Finance Director/City Treasurer

Item 5

AGENDA BILL

Agenda Item No. 7.C.

Date: January 21, 2025
To: El Cerrito City Council
From: Crystal Reams, Finance Director/City Treasurer, Finance Department
Subject: FY 2024-25 Second Quarter Cash and Investment Report

ACTION PROPOSED

Receive and file the City's Second Quarter Cash and Investment Report for the period October 31, 2024 to December 31, 2024.

BACKGROUND

It is the policy of the City of El Cerrito ("City") to invest public funds in a manner which provides for the safety of the principal while providing enough liquidity to cover the City's short and long-term needs while generating the appropriate yield. All investment activity will conform to the California Government Code, Sections 53601 through 53659.

ANALYSIS

The FY 2024-25 Third Quarter Cash and Investment Report for October 31, 2024 to December 31, 2024 shows that the City's total cash and investments as of December 31, 2024, had a par value of $31,561,681.80 in the following accounts.

- $19,690,931.57 (LAIF)
- $1,319,026.16(Mechanics Bank) (Includes interest earnings)
  - $22.44Interest Earned October 2024
  - $18.55 Interest Earned November 2024
  - $26.52 Interest Earned December 2024
- $9,162,915.98 (Mechanics Bank Money Market) (Includes interest earnings)
  - $10,183.66 Interest Earned October 2024
  - $10,003.71 Interest Earned November 2024
  - $15,764.48 Interest Earned December 2024
- $1,386,458.09 (Section 115 Trust PARS/US Bank) (Includes investment earnings)
  - $5,586.71 Earned October 2024
  - $5,227.00 Earned November 2024
  - $(13,062.29) Earned December 2024
- $2,350.00 (Petty Cash Funds)

These funds are available to meet operating expenses for the next six months.

STRATEGIC PLAN CONSIDERATIONS

The City's Investment Policy, Comprehensive Financial Policy, and Strategic Plan sets form guidelines for the investment of City funds and aligns with California Government code, Section 53646 and Section 53600-53609. The purpose of the City's Investment Policy is to provide guidelines for prudent investment of the City's idle funds and ensure policies, procedures, systems, and best practices in fiscal management.

This action supports the City’s Strategic Plan Goal(s) of:

- *High Performing Organization* Ensure the City maintains a strong financial position and a high-performing organization where employees feel a sense of inclusion and belonging.

ENVIRONMENTAL CONSIDERATIONS

This section is not applicable to this agenda item.

FINANCIAL CONSIDERATIONS

High-Performing Organization: The Quarterly Cash and Investment Report complies with the City of El Cerrito Investment Policy and California Government Code Section 53646.

LEGAL CONSIDERATIONS

The City's investments comply with standards reflected in the City of El Cerrito Investment Policy.

Reviewed by:

Karen Pinkos, City Manager

Attachments:

1. FY 25 Q2 Quarterly Cash & Investment Report

Attachment A

City of El Cerrito
Quarterly Cash and Investment Report
for the Quarter Ending December 31, 2024

Category	Trustee/Broker	Month Ending	PAR Value (Actual Value)	Quarter End Interest Rate	Market value
Pooled Investments	California State Treasurer	December 31, 2024	$ 19,690,931.57	0.00%	$ 19,690,931.57
Cash with Bank	Mechanics Bank	December 31, 2024	$ 1,319,026.16	0.01%	$ 1,319,026.16
Money Market Account	Mechanics Bank	December 31, 2024	$ 9,162,915.98	4.67%	$ 9,162,915.98
Section 115	PARS/US Bank	December 31, 2024	$ 1,386,458.09	N/A	$ 1,386,458.09
Petty Cash Funds	City Management	December 31, 2024	$ 2,350.00	N/A	$ 2,350.00
Total Cash and Investments			**$ 31,561,681.80**		**$ 31,561,681.80**

I certify that this report is in compliance with the City of El Cerrito Investment Policy and the California government Code Section 53646.
The City has sufficient cash to meet the next six months of estimated expenditures as required by the Code.

Crystal Reams

Crystal Reams, Finance Director/City Treasurer