AGENDA

SPECIAL CITY COUNCIL MEETING (not televised)
February 18, 2020 – 6:00 p.m.
Hillside Conference Room

REGULAR CITY COUNCIL MEETING
February 18, 2020 – 7:00 p.m.
City Council Chambers

Meeting Location:
El Cerrito City Hall
10890 San Pablo Avenue, El Cerrito

Members:
Mayor Gregory B. Lyman

Mayor Pro Tem Paul Fadelli · Councilmember Janet Abelson
Councilmember Rochelle Pardue-Okimoto · Councilmember Gabriel Quinto

6:00 P.M. ROLL CALL - CONVENE SPECIAL CITY COUNCIL MEETING

1. ORAL COMMUNICATIONS FROM THE PUBLIC

All persons wising 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.

2. CLOSED SESSION CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6

Agency Designated Representatives: Karen Pinkos, City Manager; Glenn Berkheimer, Labor Negotiator; Sky Woodruff, City Attorney; Alexandra Orologas, Assistant City Manager; and Kristen Cunningham, Human Resources Manager.
Employee Organizations: El Cerrito Police Employees Association; Public Safety Management Association - Battalion Chief Unit; Public Safety Management Association - Police Management Unit; United Professional Firefighters Local 1230; Service Employees International Union (SEIU) Local 1021; and Management/Confidential Employees.
Contact: Sky Woodruff, City Attorney, City Management

3. ADJOURN SPECIAL CITY COUNCIL MEETING

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

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE - *Mayor Lyman*

2. 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.

3. 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. The Mayor may reduce the time limit per speaker depending upon the number of speakers. Kindly state your name and city of residence for the record. 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 are taken up at the time the City Council deliberates each action item. Individuals wishing to comment on any closed session scheduled after the regular meeting may do so during this public comment period or after formal announcement of the closed session.

4. 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. Women's History Month Proclamation

Action Proposed: Pass a motion to approve a proclamation designating March as “Women’s History Month” and March 8, 2020 as “International Women’s Day" in the City of El Cerrito.
Contact: Kristen Cunningham, Human Resources Manager, Human Resources Department

B. Arbor Week Proclamation

Action Proposed: Pass a motion to approve a proclamation designating March 7 through March 14, 2020 as El Cerrito Arbor Week.
Contact: Stephen Prée, Environmental Programs Manager/ City Arborist, Public Works

C. **Recognize March 10, 2020 as the 61st Anniversary of the Tibetan National Uprising, and Affirm Support to the People of Tibet**

Action Proposed: At the request of the El Cerrito Human Relations Commission, adopt a resolution declaring: 1) March 10, 2020, the 61st anniversary of the Tibetan national uprising, as “Tibet Day” in the City of El Cerrito and display the Tibetan flag at City Hall; and 2) Declaring El Cerrito's expression of solidarity with the Tibetan people and their just, peaceful, and non-violent movement to remind the world of the ongoing suppression of human rights and freedom in Tibet and the continuous degradation of culture, religion, land, and identity of the Tibetan people by China.
Contact: Human Relations Commission; Kristen Cunningham, Staff Liaison/Human Resources Manager, City Management

D. **Crime Prevention Committee Appointment**

Action Proposed: Approve a Crime Prevention Committee recommendation to appoint Dorothy Herzberg to the Crime Prevention Committee, effective February 18, 2020.
Contact: Ian Wong, Detective Sergeant/CPC Staff Liaison, Police Department

E. **Formation of a Council Policy Subcommittee**

Action Proposed: At the request of Mayor Lyman, pass a motion to form a City Council Ad Hoc subcommittee on council rules and procedures, consisting of Mayor Lyman and Mayor Pro Tem Fadelli.
Contact: Holly M. Charléty, CIty Clerk, City Management

F. **2nd Reading and Adoption of Ordinance Amending the Real Property Transfer Tax Collection Process**

Action Proposed: Pass a motion to waive the second reading and adopt Ordinance 2020-02 amending Chapter 4.64 of the El Cerrito Municipal Code regarding administration of the real property transfer tax.
Contact: Shannon Collins, Finance Supervisor, Finance Department

5. PRESENTATIONS

6. PUBLIC HEARINGS

7. POLICY MATTERS

A. **Transmittal of the Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2019.**

Action Proposed: Receive and file the Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2019.
Contact: Mark R Rasiah, Finance Director/City Treasurer, Finance Department

B. **FY 2019-20 Mid-Year Budget Update**

Action Proposed: Receive an update on City revenues and expenditures for the first six months of the fiscal year through December 31, 2019 and adopt a resolution authorizing amendment to the FY 2019-20 budget and approving new spending limits.
Contact: Mark R Rasiah, Finance Director/City Treasurer, Finance Department

C. **Discussion of City Events**

Action Proposed: Discussion and possible direction to staff regarding City events.
Contact: Karen Pinkos, City Manager, City Management Department
Christopher Jones, Recreation Director, Recreation Department

8. CITY COUNCIL LOCAL & REGIONAL LIAISON ASSIGNMENTS

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

9. ADJOURN REGULAR CITY COUNCIL MEETING

The next regularly scheduled City Council meeting is Tuesday, March 17, 2020 at 7:00 p.m. in the City Council Chambers, 10890 San Pablo Avenue, El Cerrito.

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.

- Copies of the agenda bills and other written documentation relating to items of business referred to on the agenda are on file and available for public inspection in the Office of the City Clerk, at the El Cerrito Library and posted on the City's website at www.el-cerrito.org prior to the meeting.
- In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, 510-215-4305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title I).
- ***The Deadline for agenda items and communications*** is eight days prior to the next meeting by 12 noon, City Clerk's Office, 10890 San Pablo Avenue, El Cerrito, CA. Tel: 510-215–4305 Fax: 510-215–4379, email cityclerk@ci.el-cerrito.ca.us
- IF YOU CHALLENGE A DECISION OF THE CITY COUNCIL IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE COUNCIL MEETING. ACTIONS CHALLENGING CITY COUNCIL DECISIONS SHALL BE SUBJECT TO THE TIME LIMITATIONS CONTAINED IN CODE OF CIVIL PROCEDURE SECTION 1094.6.
- The City Council believes that late night meetings deter public participation, can affect the Council's decision-making ability, and can be a burden to staff. City Council Meetings shall be adjourned by 10:30 p.m., unless extended to a specific time determined by a majority of the Council.

EL CERRITO CITY COUNCIL PROCLAMATION
Designating the Month of March as "Women's History Month" and March 8, 2020 as "International Women's Day."

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

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

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

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

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

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

NOW THEREFORE, the City Council of the City of El Cerrito does hereby proclaim March 2020 as Women's History Month and March 8, 2020 as International Women's Day in the City of El Cerrito, and encourages residents to reflect on, honor, and celebrate the history, courage, commitment, accomplishments, and contributions of women, not only in El Cerrito but throughout America.

Dated: February 18, 2020

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Gregory B. Lyman, Mayor

EL CERRITO CITY COUNCIL PROCLAMATION
Designating March 7 through March 14, 2020 as Arbor Week

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

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

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

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

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

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

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

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

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

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

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

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

NOW THEREFORE, the City Council of the City of El Cerrito does hereby proclaim March 7 through March 14, 2020 as El Cerrito Arbor Week, and urges all citizens to observe and celebrate by planting and caring for trees and participating in City Arbor Week activities for our own benefit and for the benefit of future generations.

Dated: February 18, 2020

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Gregory B. Lyman, Mayor

AGENDA BILL

Agenda Item No. 4.C.

Date: February 18, 2020
To: El Cerrito City Council
From: Human Relations Commission; Kristen Cunningham, Staff Liaison/Human Resources Manager, City Management
Subject: Recognize March 10, 2020 as the 61st Anniversary of the Tibetan National Uprising, and Affirm Support to the People of Tibet

ACTION PROPOSED

At the request of the El Cerrito Human Relations Commission, adopt a resolution declaring: 1) March 10, 2020, the 61st anniversary of the Tibetan national uprising, as "Tibet Day" in the City of El Cerrito and display the Tibetan flag at City Hall; and 2) Declaring El Cerrito's expression of solidarity with the Tibetan people and their just, peaceful, and non-violent movement to remind the world of the ongoing suppression of human rights and freedom in Tibet and the continuous degradation of culture, religion, land, and identity of the Tibetan people by China.

BACKGROUND/ANALYSIS

This year continues the dedication of the Tibetan community around the world to remind us about the ongoing plight of Tibet so that the just cause of Tibet is not forgotten. The recent human rights abuses in Tibet are another example of the continued violent suppression of a movement for democracy in Tibet. It is also one aspect of China's continued serious contravention of the Tibetan people's right to religious and cultural freedoms.

It is important that the City of El Cerrito oppose the Chinese government's campaign of violent suppression and stand up for human rights and democracy in Tibet. The City of El Cerrito has a long history of support for Tibet and the Tibetan people, and the Human Relations Commission has requested a resolution from the City Council that shows support for affirming the determination of the Tibetan people in Tibet and beyond, including Tibetan Americans, to retain their heritage and protect it from destruction against overwhelming odds through non-violent and peaceful means.

STRATEGIC PLAN CONSIDERATIONS

Adoption of this resolution will help fulfill the following City of El Cerrito Strategic Plan Goals:

- Goal C: "Deepen a sense of place and community identity" and the objective of "Celebrate the City's diversity by welcoming residents of all ages and cultures and encouraging their civic involvement"

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

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

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

Reviewed by:

Karen Pinkos, City Manager

Attachments:
1. Resolution

RESOLUTION 2020-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO RECOGNIZING MARCH 10, 2020 AS "TIBET DAY" IN THE CITY OF EL CERRITO AND AFFIRMING SUPPORT TO THE PEOPLE OF TIBET

WHEREAS, On March 10, 2020, Californians, including Tibetan Americans, residing in El Cerrito and surrounding regions will gather to commemorate the 61st anniversary of the Tibetan National Uprising against Chinese invasion and occupation of Tibet; and

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

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

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

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

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

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

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

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

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

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

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

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

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of El Cerrito that March 10, 2020, the 61st anniversary of the Tibetan national uprising, shall be officially recognized as "Tibet Day" and the Tibetan flag shall be displayed at City Hall.

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

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

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

I CERTIFY that at a regular meeting on February 18, 2020 the City Council of the City of El Cerrito passed this Resolution by the following vote:

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

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on February____, 2020.

____
Holly M. Charléty, City Clerk

APPROVED:

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Gregory B. Lyman, Mayor

AGENDA BILL

THE CITY OF EL CERRITO

Agenda Item No. 4.D.

Date: February 18, 2020
To: El Cerrito City Council
From: Ian Wong, Detective Sergeant/CPC Staff Liaison, Police Department
Subject: Crime Prevention Committee Appointment

ACTION PROPOSED

Approve a Crime Prevention Committee recommendation to appoint Dorothy Herzberg to the Crime Prevention Committee, effective February 18, 2020.

BACKGROUND/ANALYSIS

An application to be appointed to the Crime Prevention Committee (CPC) was recently received from Dorothy Herzberg, who has attended three meetings of the Crime Prevention Committee. During the regular Committee meeting on January 8, 2020 the Committee voted unanimously to recommend to the Council that Dorothy Herzberg be appointed to the Crime Prevention Committee.

Dorothy has lived in El Cerrito for twenty-five years and is retired from the West Contra Costa School District. Dorothy would like to help serve her community by participating in the Crime Prevention Committee.

If the City Council approves this recommendation, the number of Committee members will be 5. Resolution 2013-66 establishes the maximum committee size at 15.

STRATEGIC PLAN CONSIDERATIONS

This section is not applicable to this agenda item.

ENVIRONMENTAL CONSIDERATIONS

This section is not applicable to this agenda item.

FINANCIAL CONSIDERATIONS

This section is not applicable to this agenda item.

LEGAL CONSIDERATIONS

This section is not applicable to this agenda item.

Reviewed by:

Karen E Pinkos

Karen Pinkos, City Manager

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

ORDINANCE NO. 2020-02

AN ORDINANCE OF THE CITY OF EL CERRITO AMENDING CHAPTER 4.64 OF THE EL CERRITO MUNICIPAL CODE CHAPTER REGARDING ADMINISTRATION OF THE REAL PROPERTY TRANSFER TAX

WHEREAS, the People of the City of El Cerrito approved becoming a Charter City and a Real Property Transfer Tax (Ordinance 2018-03) at the November 6, 2018 general election; and

WHEREAS, the Real Property Transfer Tax (Ordinance 2018-03) was adopted by the declaration of the vote by the El Cerrito City Council on December 4, 2018; and

WHEREAS, the Real Property Transfer Tax (Ordinance 2018-03) added Chapter 4.64 to the El Cerrito Municipal Code; and

WHEREAS, Chapter 4.64 of the El Cerrito Municipal Code is structured such that the City of El Cerrito collects and administers the Real Property Transfer Tax; and

WHEREAS, the City now desires to allow the County of Contra Costa to collect the tax on the City's behalf; and

WHEREAS, Section 4.64.170 of the El Cerrito Municipal Code provides that any amendments that increase the tax rates, extend the tax, or impose the tax on persons not previously subject to the tax shall require approval by the voters of the City, however the City Council may otherwise amend Chapter 4.64 without submitting the amendment to the voters for approval; and

WHEREAS, the proposed amendments herein will not increase the tax rate, extend the tax, or impose the tax on persons not previously subject to the tax; and

WHEREAS, the City Council desires to amend Chapter 4.64 to allow the County of Contra Costa to collect the tax on behalf of the City.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CERRITO DOES HEREBY ORDAIN as follows:

Section 1: Incorporation of Recitals. The City Council finds that the above Recitals are true and correct and are incorporated herein by reference.

Section 2: Section 4.64.030 of the El Cerrito Municipal Code is hereby amended as follows (additions shown in *italics* and deletions shown in ~~strikethrough~~):

4.64.030 Definitions

"Changes in control and ownership of legal entities" means any direct or indirect acquisition or transfer of ownership interest or control in a legal entity that constitutes a change in ownership or transfer of the real property of the entity under California Revenue and Taxation Code Section 64, as such statute reads and is interpreted by the California Department of Tax and Fee Administration.

"County assessor" means the county assessor of the County of Contra Costa.

"County recorder" means the office of the clerk-recorder of the County of Contra Costa.

"Person" and "persons" mean any natural person, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, co-partnership, joint venture, club, company, joint stock company, business trust, limited liability company, municipal corporation, political subdivision of the State of California, domestic or foreign corporation, association, syndicate, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise, and the United States or any instrumentality thereof. "Person" and "persons" also mean any natural person, who as an individual or with a spouse, owns fifty-one percent or more of the capital stock of a corporation obligated to file a declaration and pay tax pursuant to this chapter; and in addition, is a person with the power to control the fiscal decision-making process by which the corporation allocates funds to creditors in preference to its tax obligations under the provisions of this chapter. A person who is also an officer or director of a corporation obligated to file declarations and pay tax pursuant to this chapter shall be presumed to be a person with the power to control the fiscal decision-making process. Whenever the term "person" is used in any clause prescribing and imposing a penalty, the term as applied to association shall mean the owners or part owners thereof, and as applied to corporation, the officers thereof.

"Qualifying work" means the seismic upgrades and energy and water conservation projects listed in Section 4.64.080.

"Real property" and "realty" mean real property as defined by and under the laws of the State of California.

"Tax" means the tax authorized and imposed by this chapter.

"Tax administrator" means the finance director or ~~other city official~~ *as otherwise* designated by the city manager to administer the tax.

"Transfer of real property" means a sale, grant, assignment, transfer, or other conveyance of any lands, tenements, or other real property by deed, instrument, or other writing from a transferor to a transferee, or to a third person at or by the direction of transferee. "Transfer of real property" includes a change in control and ownership of a legal entity that results in a transfer of real property.

"Transferee" means a person to whom a transfer of real property is made.

"Transferor" means a person who makes a transfer of real property.

"Value of consideration" means the total consideration, valued in money of the United States, paid or delivered, or contracted to be paid or delivered in return for the transfer of real property, including the amount of any indebtedness existing immediately prior to the transfer which is secured by a lien, deed of trust or other encumbrance on the property conveyed and which continues to be secured by such lien, deed of trust or encumbrances after such transfer, and also including the amount of any indebtedness which is secured by a lien, deed of trust or encumbrance given or placed upon the property in connection with the transfer to secure the payment of the purchase price or any part thereof which remains unpaid at the time of transfer. "Value of the consideration" also includes the amount of any special assessment levied or imposed upon the property by a public body, district or agency, where such special assessment is a lien or encumbrance on the property and the purchaser or transferee agrees to pay such special assessment or takes the property subject to the lien of such special assessment. The value of any lien or encumbrance of a type other than those which are hereinabove specifically included, existing immediately prior to the transfer and remaining after such transfer, shall not be included in determining the value of the consideration. If the "value of the consideration" cannot be definitely determined, or is left open to be fixed by future contingencies, "value of the consideration" shall be deemed to mean the fair market value of the property at the time of transfer, after deducting the amount of any lien or encumbrance, if any, of a type which would be excluded in determining the "value of the consideration" pursuant to the above provisions of this section. In the event that the asserted "value of consideration" for a transfer of real property is less than the fair market value, the tax administrator may assume that the "value of consideration" is the fair market value of the property but shall consider evidence submitted by the persons responsible for the paying the tax that the lower amount represents the price agreed upon as part of a valid arms-length transaction. By way of example only and without limiting the generality of the foregoing, a transfer of real property that is a gift, with the transferor transferring the real property to the transferee with no compensation and free and clear of liens and encumbrances, is a form of transfer of real property for which the value of consideration is less than the fair market value.

Section 3: Section 4.64.090 of the El Cerrito Municipal Code is hereby amended as follows (additions shown in *italics* and deletions shown in ~~strikethrough~~):

4.64.090 Administration of Tax

The tax administrator shall collect *or cause to have collected* the tax imposed pursuant to this chapter and shall otherwise administer this chapter. The tax administrator may make such rules and regulations, not inconsistent with this chapter, as they may deem reasonably necessary or desirable to administer this article, as well as necessary forms and receipts.

Section 4: Severability. If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The city council hereby declares that it would have passed the ordinance codified in this chapter, and each and every section, subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to whether any portion of this chapter would be subsequently declared invalid or unconstitutional.

Section 5: Effective Date. This Ordinance shall take effect and be enforced thirty days after the date of its adoption. Prior to the expiration of fifteen days from the passage thereof, the ordinance or a summary thereof shall be posted or published as may be required by law, and thereafter the same shall be in full force and effect.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the City Council on February 4, 2020 and passed by the following vote:

AYES:	Mayor Lyman, Mayor Pro Tem Fadelli, Councilmember Quinto
NOES:	Councilmember Pardue-Okimoto
ABSENT:	Councilmember Abelson
ABSTAIN:	None

ADOPTED AND ORDERED published at a regular meeting of the City Council held on February 18, 2020 and passed by the following vote:

AYES:	Councilmembers
NOES:	Councilmembers
ABSENT:	Councilmembers
ABSTAIN:	Councilmembers

APPROVED:

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Gregory B. Lyman, Mayor

ATTEST:

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Holly M. Charléty, City Clerk

ORDINANCE CERTIFICATION

I, Holly M. Charléty, City Clerk of the City of El Cerrito, do hereby certify that this Ordinance is the true and correct original Ordinance No. 2020-02 of the City of El Cerrito; that said Ordinance was duly enacted and adopted by the City Council of the City of El Cerrito at a meeting of the City Council held on the 18th day of February, 2020; and that said Ordinance has been published and/or posted in the manner required by law.

WITNESS my hand and the Official Seal of the City of El Cerrito, California, this _ ______ day of March, 2020.

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Holly M. Charléty, City Clerk

AGENDA BILL

Agenda Item No. 7.A.

Date: February 18, 2020
To: El Cerrito City Council
From: Mark R Rasiah, Finance Director/City Treasurer, Finance Department
Subject: Transmittal of the Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2019.

ACTION PROPOSED

Receive and file the Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2019.

BACKGROUND

The City's audit firm, Badawi and Associates, has completed its audit of the City's financial records for the fiscal year ending June 30, 2019 (FY19). A complete copy of the Comprehensive Annual Financial Report (CAFR) is attached and is also available on the City's website at:www.el-cerrito.org/232/Budget-Financial-Information.

ANALYSIS

Staff is pleased to report that the City received an unmodified opinion for the FY 2018-19 financial statements. An unmodified opinion by the Auditor indicates that the Financial Statements have been prepared using Generally Accepted Accounting Principles; comply with relevant statutory requirements and regulations; include adequate disclosure of all material matters relevant to the proper presentation of the financial information subject to statutory requirements, where applicable; and any changes in the accounting principles or in the method of their application and the effects thereof have been properly determined and disclosed in the Financial Statements.

Financial Highlights

At the close of the fiscal year, City assets and deferred outflows of resources (what the City owns) exceeded liabilities and deferred inflows of resources (what the City owes) by $16.53 million. The City's net position decreased by $9.56 million from $26.09 million to $16.53 million. This is primarily related to the implementation of a new Governmental Accounting Standards Board (GASB) regulation known as GASB 75 that requires the recognition of the City's net OPEB liability and an increase in the City's net pension liability. Total assets decreased mainly from the sale of City owned property that once belonged to the Redevelopment Agency.

The largest portion of the City's net position is its investment in capital assets such as streets, sidewalks, parks, and City owned buildings less any outstanding debt used to acquire those assets. These investments amount to $57.23 million and are used to provide services to the public.

Program revenues for Governmental Activities increased by $3.73 million and program revenues for Business-type Activities increased by $0.06 million, contributing a total increase of $3.79 million to the FY19 City net position. General Revenues, mainly from property taxes, real property transfer taxes, and sales taxes, contributed $2.3 million to the increase in the total City net position in FY19.

Expenses in FY19 in general increased by about $3.28 million from the prior fiscal year. Public safety expenses increased by almost $1.96 million, which represents nearly 60% of the total increase in expenses in FY19.

Total General Fund revenues of $39.3 million exceeded budget by nearly $0.9 million. Revenues also exceeded prior year's revenues of $35.8, million by nearly $3.6 million, due to increased property taxes, sales taxes, charges for services, and revenue from a new real property transfer tax (RPTT) from the voter approved Measure V that was passed in November 2018. The RPTT came into effect in January of 2019 and for the six-month period from January to June 2019, the City received $1.1 million from these taxes.

Total General Fund expenditures were $40.2 million, an increase of nearly $4.0 million over the prior year. About $2.2 million of this increase was due to increases in public safety costs which increased from $21.3 million in FY18 to $23.5 million in FY19. This was partly due to an increase in Fire Department overtime costs, increased safety retirement plan costs, and higher vehicle and equipment repair and maintenance costs. Public Safety overtime was $1.7 million, up nearly $0.3 million from the prior year; retirement contributions were $4.2 million, up nearly $0.5 million over FY18; and repairs and maintenance costs increased by almost $0.3 million over FY18.

Despite the increase in revenues, the General Fund ended the year with a negative total fund balance of $56,692. This represents a decrease of $144,262 over the ending total fund balance in the prior fiscal year of $87,570. This decrease was mainly due to fund expenditures and financing uses exceeding fund revenues by $945,017. The excess was largely offset by revenues from the City's share of Redevelopment Agency (RDA) property sales proceeds resulting in a net change in fund balance of $144,262. It needs to be mentioned here that during FY19, the City wrote off $722,585 that was collectively owed to the General Fund by the City Housing Trust Fund and Capital Improvement Project Fund. Additionally, the City recorded a portion of sales taxes from sales at the Home Depot store located on the border with the City of Richmond amounting to $116,319 as deferred revenue rather than current revenue, in accordance with accounting standards. The combined effect of these two items if added to the General Fund, would have yielded a positive total General Fund balance of $782,212.

In FY19 the Unassigned General Fund balance was reduced from a negative $2.2 million in FY18 to a negative $1.7 million, an improvement of $525,000. This non-spendable fund balance consists of $317,967 owed to the General Fund from the City's Integrated Waste Management Fund (IWM) and an advance of $1.3 million that was made to the former Redevelopment Agency to settle with the California Department of Finance. The City has filed an appeal seeking redress. The IWM advance will be repaid in full in FY20 through the increased Recyclables and Waste Management fee revenue that went into effect in January 2020. It is expected that once both these non-spendable amounts are recovered, the negative unassigned General Fund balance will be substantially reduced.

STRATEGIC PLAN CONSIDERATIONS

The CAFR summarizes a years' worth of fiscal information covering all City operating, capital, enterprise and debt service funds. It provides valuable information about how the City's fiscal resources have been used. This enables staff to recommend to the City Council appropriate fiscal policies, procedures and systems that represent best practices in financial management (Goal B: Achieve long-term financial sustainability).

ENVIRONMENTAL CONSIDERATIONS

This section is not applicable to this agenda item.

FINANCIAL CONSIDERATIONS

Total revenue continues to improve with a moderate increase anticipated in FY20. Expenses have also been growing at a faster pace driven by increasing employee costs. The City's Real Property Transfer Tax revenue has helped pay for increased Public Safety overtime and will help the General Fund reserves get closer to the policy goal of 10% reserve ratio at the end of the next biennial budget cycle.

Employee costs continue to trend upwards as retirement contributions drive pension costs higher. General Fund Employee costs are projected at nearly 75% of Total General Fund Expenditures for FY19. This proportion will increase with the increase in pension related costs in FY20 and beyond.

The City remains focused on financial stability and opportunities to strengthen our financial position. On a macroeconomic scale, the US has not had a recession in the past 10 years. There is increasing concern in some business circles that a recession is long overdue but may not be as bad as the last one. The City is mindful of the risks of not having sufficient reserves in such an eventuality and is working to establish and maintain a General Fund balance that can sustain it so that it can continue to provide the quality of services residents have come to expect.

LEGAL CONSIDERATIONS

This annual audit was conducted by Badawi and Associates, an independent public accounting firm which was selected through a competitive bidding process, in accordance with Section 5.1.1 of the City's Comprehensive Financial Policy. The contract with the firm is for an Initial period of three years with two one-year options at the City Council's discretion. This is the third year of the auditor's contract with the City.

Reviewed by:

Karen Pinkos, City Manager

Attachments:

1. 2019 CAFR

THE CITY OF
EL CERRITO

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

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

Introductory Section

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City of El Cerrito
Comprehensive Annual Financial Report
For the year ended June 30, 2019

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STATISTICAL SECTION (Unaudited)

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January 31, 2020

To the Citizens of the City of El Cerrito
and the Honorable Mayor and Members of
the City Council:

I hereby submit this Comprehensive Annual Financial Report (CAFR) of the City of El Cerrito for the fiscal year ended June 30, 2019. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities. This transmittal letter is intended to be read in conjunction with the Management Discussion and Analysis (MD&A) and the Financial Statements.

REPORTING ENTITY

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

CITY PROFILE

The City of El Cerrito is located across the Bay from the City of San Francisco in an area locally referred to as the East Bay. The City consists of about 3.9 square miles and has approximately 25,000 residents. El Cerrito is part of the West Contra Costa Unified School District (WCCUSD), which also serves other West County Communities. In El Cerrito, WCCUSD operates one early intervention preschool, three public elementary schools, one public middle school, and one public high school. The City has a variety of green spaces for public enjoyment including 32 acres of developed park grounds, over 100 acres of open space in the hillside natural area, a 2.7-mile multi-use trail known as the Ohlone Greenway, school recreation facilities, the privately-owned Berkeley Country

10890 San Pablo Avenue El Cerrito, CA 94530 (510) 215-4300 FAX (510) 215-4319
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Club (127 acres), and Boy Scouts of America's Camp Herms (18 acres). A portion of the Sunset View Cemetery and the City's eastern boundary are contiguous with the East Bay Regional Park District's Wildcat Canyon Regional Park (about 2,600 acres). El Cerrito also has a regional office of the California Department of Motor Vehicles, two Bay Area Rapid Transit (BART) Stations, a major regional shopping center, 5 banks, 17 churches and some of the most spectacular views of four Bay Area bridges, San Francisco and the surrounding area.

ECONOMIC CONDITION AND OUTLOOK

The financial outlook for El Cerrito is challenging. The City continues to experience a modest growth in revenues. However, the City remains cautious, as the growth projected in the next few years isn't expected to continue indefinitely. The City remains focused on financial stability to ensure budgeted expenses can be supported by revenues. The City became a Charter City Recently, and the voters approved a Real Property Transfer Tax that is expected to generate revenue that could be used to restore general fund reserves, maintain: rapid 9-1-1 emergency response times, City parks, paths and playfields, library programs for children, adults and families and senior services.

The median sale price of a single-family home decreased by 0.5% with the most recent figures showing the current median home price at $895,000. The median price in the prior year was $900,000. Growth is projected to continue to moderate in the next fiscal year. Also projected in the next few years are new development projects already in process. These will generate both one-time permit and planning fees as well as ongoing property taxes once the projects are completed.

Employee costs continue to trend upwards. General Fund Employee costs are projected at nearly 76% of Total General Fund Expenditures for FY 2019-20. This proportion will increase with the increase in pension related costs in FY 2020-21 and beyond. Fire labor contracts was successfully renegotiated in 2019 and the remaining contracts are under review.

The City remains focused on financial stability and opportunities to strengthen our financial position. That includes aligning expenses with available revenue, eliminating fund deficits and restoring the General Fund reserve ratio to at least the policy goal minimum of 10% of expenditures in the medium term.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

The City remained committed to providing high quality services with a focus on long-term viability and was able to accomplish many noteworthy projects across departments. Significant selected accomplishments for the year include:

- Passage of Measure H, renewal of special parcel tax for parks and recreation
- Completion of Parks and Recreation Master Plan

- Oversight of Measure V Real Property Transfer Tax
- Increased oversight of Vegetation Management/Weed Abatement program in response to increased focus on wildfire safety
- Adopted Green Infrastructure Program
- Significant update of technology, security, and automation practices
- Processed numerous development applications:
  - Under construction: 272 multifamily units, including 67 affordable
  - Entitled: 742 units
- Created Tenant Protections Task Force to assist in implementation of element of Affordable Housing Strategy
- Implemented a Rent Registry program to collect data on residential rental properties
- Provided mutual aid responses around the State with significant operations in Napa and Sonoma counties
- Managed numerous capital improvement projects

FINANCIAL INFORMATION

Accounting System

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

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

The City maintains an internal control structure designed to provide reasonable assurance that the City's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls

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

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

OTHER INFORMATION

Independent Audit

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

Acknowledgments

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

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

Respectfully submitted,

Mark R Rasiah
Finance Director /City Treasurer

10890 San Pablo Avenue El Cerrito, CA 94530 (510) 215-4300 FAX (510) 215-4319
www.el-cerrito.org

CITY OF EL CERRITO

PRINCIPAL OFFICERS

JUNE 30, 2019

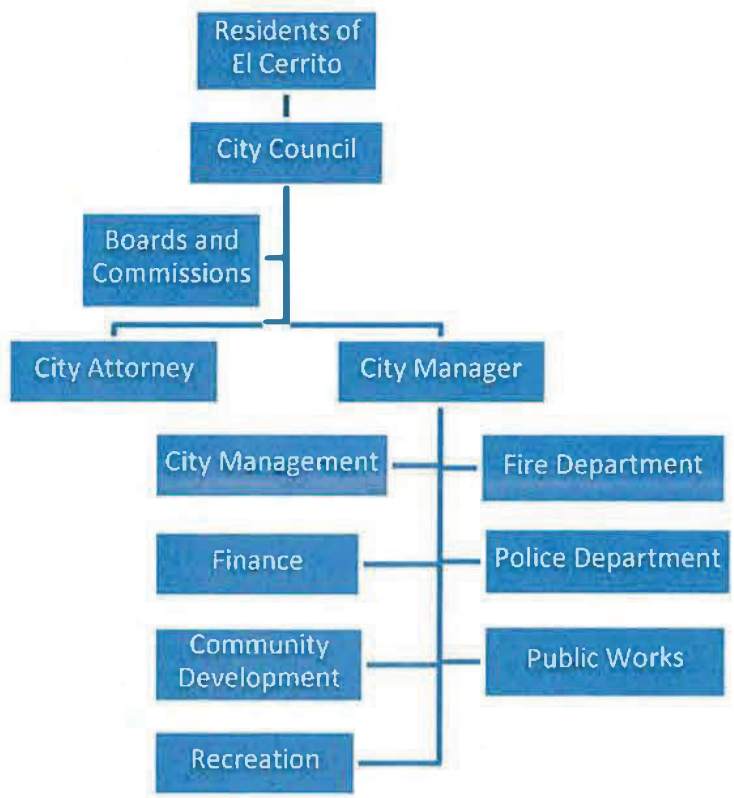
City Council

Mayor	Rochelle Pardue-Okimoto
Mayor Pro Tern	Greg Lyman
City Council Member	Paul Fadelli
City Council Member	Gabriel Quinto
City Council Member	Janet Abelson

Department Directors

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

City of El Cerrito Organization Chart



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Cerrito, California (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension required supplementary information, and other post-employment benefits information on pages 5–15 and 87–92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Emphasis of Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the City will continue as a going concern. As discussed in Note 21 to the financial statements, the City's General Fund has a very limited fund balance that indicates that the City may not be able to continue as a going concern. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 21. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Badawi & Associates

Badawi and Associates, CPAs
Berkeley, California
January 31, 2020

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CITY OF EL CERRITO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

This section of the City of El Cerrito's annual financial report presents Management's discussion and analysis of the financial performance of the City and its component units during the fiscal year ended June 30, 2019. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year (FY19), City assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $16.53 million in FY18. The City's net position decreased by $9.56 million from $26.09 million to $16.53 million (Table A-1). Of the $16.53 million in net position, $57.2 million was invested in capital assets net of related debt.

- Program revenues for Governmental Activities increased by $3.73 million and program revenues for Business-type Activities increased by $0.06 million, contributing a total increase of $3.79 million to the FY19 City net position (Table A-2). General Revenues, mainly from property taxes, real property transfer taxes and sales taxes, contributed $2.3 million to the increase in the total City net position in FY19.

- Expenses in FY19 in general increased by about $3.28 million more than in the prior fiscal year. Public safety expenses increased by almost $1.96 million, which represents nearly 60% of the total increase in expenses in FY19. (Table A-2)

- Total General Fund revenues of $39.3 million exceeded budget by nearly $0.9 million. Revenues also exceeded prior year's revenues of $35.8, million by nearly $3.6 million, due to increased property taxes, sales taxes, charges for services and revenue from a new real property transfer tax from the voter approved Measure V that was passed in November 2018 (Table A-3). The transfer tax came into effect in January of 2019 and for the six-month period from January to June 2019, the City received $1.1 million in property transfer taxes.

- Total General Fund expenditures were $40.2 million, an increase of nearly $4.0 million over the prior year. About $2.2 million of this increase was due to increases in public safety costs which increased from $21.3 million in FY18 to $23.5 million in FY19. This increase was partly due to an increase in public safety overtime costs, increased safety retirement plan costs and higher vehicle and equipment repair and maintenance costs. Public Safety overtime was $1.7 million, up nearly $0.3 million from the prior year; retirement contributions were $4.2 million, up nearly $0.5 million over FY18; and repairs and maintenance costs increased by almost $0.3 million over FY18.

- Despite the increase in revenues, the General fund ended the year with a negative total fund balance of $56,692. This represents a decrease of $144,262 over the ending total fund balance in the prior fiscal year of $87,570. This decrease was mainly due to fund expenditures and financing uses exceeding fund revenues by $945,017. The excess was largely offset by revenues from the City's share of Redevelopment Agency (RDA) property sales proceeds resulting in a net change in fund balance of $144,262. It needs to be mentioned here that during FY19, the City wrote off $722,585 that was collectively owed to the General Fund by the City Housing Trust Fund and Capital Improvement Project Fund. Additionally, the City recorded a portion of sales taxes from sales at the Home Depot store located on the border with the City of Richmond amounting to $116,319 as deferred revenue rather than current revenue, in accordance with accounting standards. The combined effect of these two items if added to the General Fund, would have yielded a positive total General Fund balance of $782,212. (See section on Financial Analysis of the City's Major Funds for a fuller discussion of General Fund impacts.)

- In FY19 the Unassigned General Fund balance reduced from a negative $2.2 million in FY18 to a negative $1.7 million, an improvement of $525,000. The non spendable fund balance consists of $317,967 owed to the General Fund from the City's Integrated Waste Management Fund (IWM) and an advance of $1.3 million that was made to the RDA to settle with the California Department of Finance. The City has filed an appeal seeking redress. The IWM advance will be repaid in full in FY20 through the increased Recyclables and Waste Management fee revenue that went into effect in January 2020. It is expected that once both these non-spendable amounts are recovered, the negative unassigned General Fund balance will be substantially reduced.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

***Governmental funds*. (pages 28-31)** Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Governmental funds can have unrestricted or restricted purposes or can be available for use only by a legally separate entity that is a component unit. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

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

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

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

Notes to the Basic Financial Statements. (pages 41-83) The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Statement of Net Position. The net position serves as an indicator of a government's financial position. As noted earlier in the Financial Highlights, El Cerrito's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $16.53 million at June 30, 2019 representing a $9.56 million decrease over the prior year. This follows a decrease in total assets of $6.73 million, a decrease of deferred outflows of assets of $1.93 million, a decrease of total liabilities of $0.94 million and an increase in deferred inflows of $1.85 million, primarily related to the implementation of GASB 75 that requires the recognition of the City's net OPEB liability and an increase in the City's net pension liability. Total assets decreased mainly from the sale of City owned property that once belonged to the Redevelopment Agency.

Table A-1 Net Position

	Governmental Activities		Business-type Activities		Total		Total Change
	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18	
Assets							
Current and other assets	$23,427,864	$25,706,594	$ (74,596)	$ 59,985	$23,353,268	$25,766,579	$(2,413,311)
Capital assets	123,030,191	124,093,462	5,093,295	5,093,295	128,123,486	129,186,757	(1,063,271)
Accumulated Depreciation	(49,249,564)	(46,248,512)	(1,493,521)	(1,237,647)	(50,743,085)	(47,486,159)	(3,256,926)
Total Assets	97,208,491	103,551,544	3,525,178	3,915,633	100,733,669	107,467,177	(6,733,508)
Deferred Outflows of Resources	15,942,693	17,857,172	64,253	75,011	16,006,946	17,932,183	(1,925,237)
Liabilities							
Current and other liabilities	12,192,870	11,927,678	536,553	572,540	12,729,423	12,500,218	229,205
Long-term liabilities	82,557,424	83,328,458	2,003,522	2,403,252	84,560,946	85,731,710	(1,170,764)
Total Liabilities	94,750,294	95,256,136	2,540,075	2,975,792	97,290,369	98,231,928	(941,559)
Deferred Inflows of Resources	2,922,880	1,076,250			2,922,880	1,076,250	1,846,630
Net Position							
Net investment in capital assets	55,950,869	58,942,988	1,287,089	1,106,285	57,237,958	60,049,273	(2,811,315)
Restricted	14,225,506	17,041,501			14,225,506	17,041,501	(2,815,995)
Unrestricted	(54,698,365)	(50,908,159)	(237,733)	(91,433)	(54,936,098)	(50,999,592)	(3,936,506)
Total Net Position	$15,478,010	$25,076,330	$1,049,356	$ 1,014,852	$16,527,366	$26,091,182	$(9,563,816)

The largest portion of the City's net position is its investment in capital assets such as streets, sidewalks, parks and City owned buildings less any outstanding debt used to acquire those assets. These investments amount to $57.23 million and are used to provide services to the public. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided for from other sources (future revenues), since the capital assets themselves cannot be used to liquidate liabilities. An additional $14.26 million of the City's net position represents resources that are subject to external restrictions on their use. Of the restricted net position, $1.0 million represents the value of properties owned by the Corporation or Housing Successor that may only be used for redevelopment purposes. Other restricted net positions include money available for appropriation by the City or Corporation for restricted purposes.

At the end of the fiscal year ended June 30, 2019, the City reported positive balances in net investment in capital assets and restricted net position. However, for the City as a whole, the unrestricted balance was a negative $54.94 million. The unrestricted net position for Governmental Activities was negative $50.9 million and the unrestricted net position for Business-type Activities was a negative $0.2 million.

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

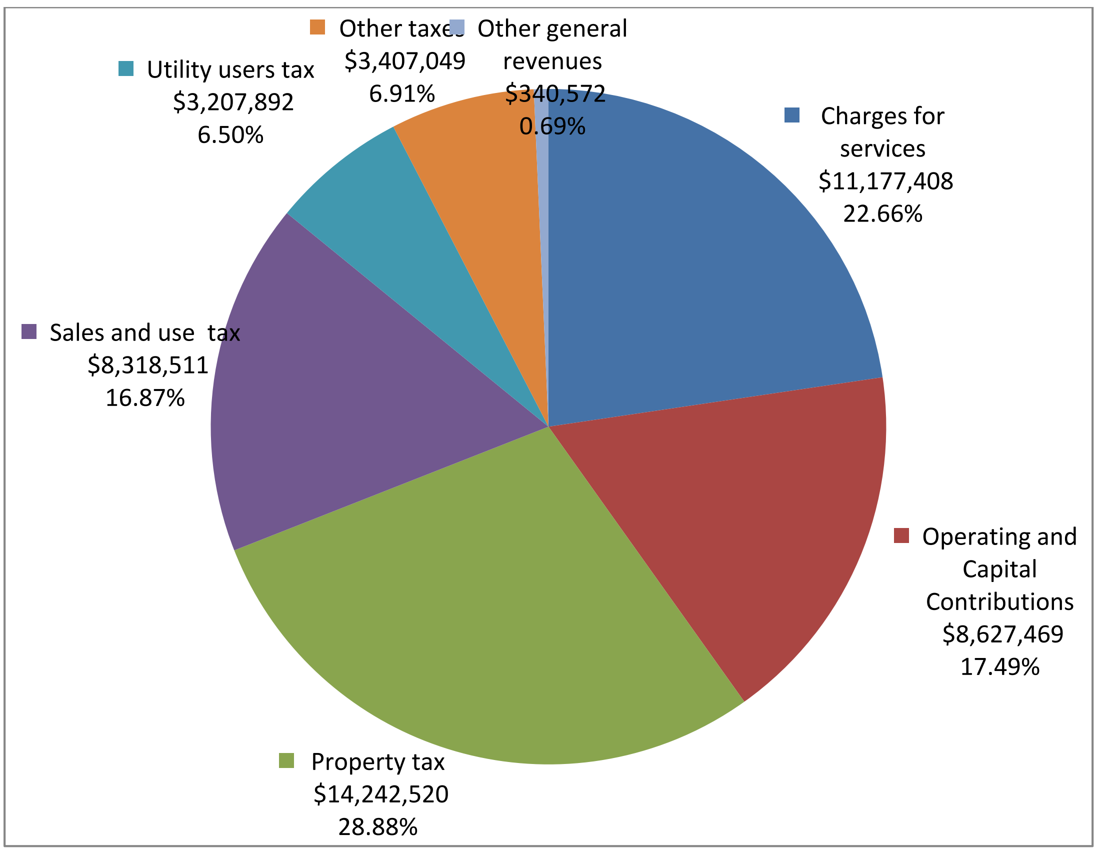
Table A-2 Changes in Net Position

	Governmental Activities		Business-type Activities		Total		Total Change
	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18	
Program revenues							
Charges for services	$ 11,177,408	$ 10,654,347	$ 2,581,473	$ 2,555,397	$ 13,758,881	$ 13,209,744	$ 549,137
Operating contributions and grants	3,534,462	2,410,442	62,894	24,634	3,597,356	2,435,076	1,162,280
Capital contributions and grants	5,093,007	3,013,832			5,093,007	3,013,832	2,079,175
General revenues							
Property tax	14,242,520	13,360,216			14,242,520	13,360,216	882,304
Sales and use tax	8,318,511	8,215,732			8,318,511	8,215,732	102,779
Utility users tax	3,207,892	2,965,675			3,207,892	2,965,675	242,217
Other taxes	3,407,049	2,419,049			3,407,049	2,419,049	988,000
Other general revenues	340,572	300,264			340,572	300,264	40,308
Total Revenues	49,321,421	43,339,557	2,644,367	2,580,031	51,965,788	45,919,588	6,046,200
Expenses							
General government	6,723,883	5,758,535			6,723,883	5,758,535	965,348
Public works	8,800,985	8,956,800			8,800,985	8,956,800	(155,815)
Recreation	6,852,784	6,319,879			6,852,784	6,319,879	532,905
Community development	2,683,918	2,877,501			2,683,918	2,877,501	(193,583)
Public safety	26,250,994	24,291,518			26,250,994	24,291,518	1,959,476
Interest on long term debt	837,272	852,986			837,272	852,986	(15,714)
Integrated waste management			2,606,192	2,420,952	2,606,192	2,420,952	185,240
Total expenditures	52,149,836	49,057,219	2,606,192	2,420,952	54,756,028	51,478,171	3,277,857
Excess (deficiency) of revenues over expenses before transfers and Special items	(2,828,415)	(5,717,662)	38,175	159,079	(2,790,240)	(5,558,583)	2,768,343
Special Items	(6,773,576)				(6,773,576)		(6,773,576)
Transfers	3,671	9,671	(3,671)	(9,671)	-	-	-
Increase (decrease) in net position	(9,598,320)	(5,707,991)	34,504	149,408	(9,563,816)	(5,558,583)	(4,005,233)
Beginning Net Position	25,076,330	31,034,877	1,014,852	865,444	26,091,182	22,001,997	4,089,185
		(250,556)			-	(250,556)	250,556
Ending Net Position	$ 15,478,010	$ 25,076,330	$ 1,049,356	$ 1,014,852	$ 16,527,366	$ 26,091,182	$ 334,508

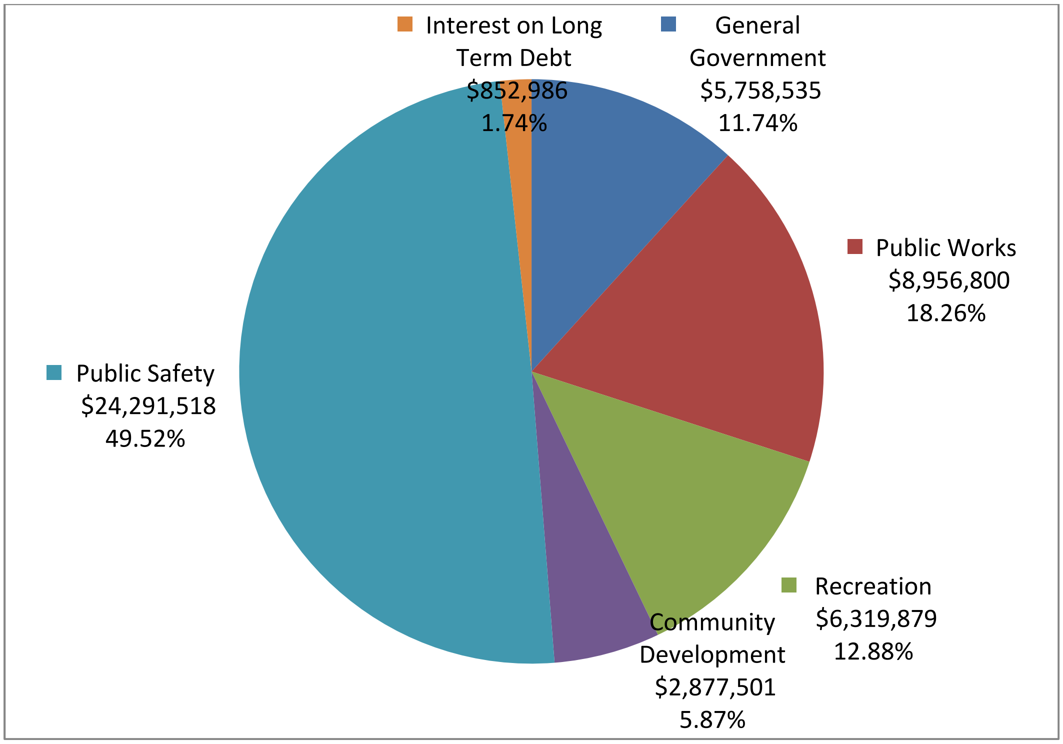
The City's total revenues were $51.97 million for the year ended June 30, 2019, an increase of $6.0 million from the previous year. Revenues from all taxes increased by $2.21 million and revenues from the use of money and property decreased by $0.04 million. Program revenues for both Governmental and Business-type activities increased by $3.79 million over the prior year.

The City's total program expenses were $54.76 million, an increase of $3.28 million over the prior fiscal year. There were increases of $0.9 million in general government, a nearly $0.53 million increase in Recreation Services, and Public Safety Services saw the most increase in expenses of almost $1.96 million.

Governmental Activities Revenues. In FY19, the City received nearly 59.15% of its revenues from taxes: 28.88% from property taxes, 16.87% from sales taxes, 6.50% from utility user's taxes, and 6.91% from other taxes. The City also received 22.66% from charges for services, 17.49% of its revenues from operating and capital contributions and grants and 0.69% from other sources.



Governmental Activities Expenses. In FY19, nearly 85.5% of program expenses were attributable to direct services such as Public Works, Recreation, Community Development and Public Safety. This was about the same percentage as in the prior year. Total expenditures were $44.59 million in FY19 which was $2.14 million higher than in the prior year.



Business-type Activities. The net position in FY19 improved by $34,000 but at a slower rate than in FY 18 due to expenses growing at a faster pace than revenues. (Table A-2). The ending Net Position for Business-type Activities was $1.0 million, which is slightly higher than in the previous year.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

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

At year-end the City's governmental funds reported total fund balances of $12.75 million down from $14.80 million in the prior fiscal year, a decrease of $2 million which represents: a decrease in the assets of the Municipal Services Fund upon the sale of RDA land and a decrease in the amounts owed by the Capital Improvement Project Fund to the General Fund, due to advances owed to the General Fund being written off as mentioned previously under Financial Highlights..

General Fund. The General Fund is the City's chief operating fund. At the end of the fiscal year, the total General Fund balance was a negative $56,692, a decrease of $144,262 from the FY18 balance of $87,570. As stated previously under the Financial Impacts section, during FY19 the City wrote off $722,585 that was collectively owed to the General Fund by the City Housing Trust Fund and Capital Improvement Project Fund. These legacy General Fund advances from prior fiscal years were made as far back as 2012 during the period of the RDA dissolution. Had the write-off not occurred, the total General Fund balance would have been higher by a corresponding amount.

In December 2019 the City received a portion of its share of Home Depot sales taxes from the City of Richmond. Unfortunately, the tax revenue was received long after the close of the fiscal year and though it is attributable to FY19, Governmental Accounting Standards require that $116,319 being treated as unavailable revenue. Had this amount been collected within 60 days after the end of the fiscal year, the total General Fund balance would have been a positive $59,627 instead of a negative $56,692. Nevertheless, the unavailable revenue will be recognized as revenue in FY20, with its beneficial effect on the General Fund Balance being delayed by a fiscal year. It is worth noting that had these two items been put back into the General Fund, their combined effect would have yielded a positive total General Fund balance of $782,212 and a correspondingly smaller Unassigned fund balance.

It is also worth noting that in FY18, the City had to unexpectedly relocate the Senior Center in order to continue to provide services to our seniors. This move cost the City, $425,000 of General Fund money. While most of the expenditures were in FY18, a portion of this cost was incurred in FY19. If not for this unexpected cost and the need for the City to make annual lease payment of $120,000, to lease the Mid-town Activity Center, the total General Fund Balance would have been over $1.5 million at the end of FY19.

Total revenue from property taxes, sales taxes and other revenue sources exceeded budget by nearly $0.9 million and was nearly $3.6 million over the prior year. Expenditures too increased by $2.9 million over budget and exceeded prior year expenditures by nearly $4 million. Of the $4 million increase, the main increases in costs over the prior year came from Public Safety Services ($2.2 million); Recreation Services ($0.6 million) and Public Works ($0.3 million). Public Safety Costs were in part driven by unpredictable Fire Department overtime costs. Part of the increase was also due to increased program offerings by the Recreation Department, requiring instructors. These programs often resulted in additional recreation program revenue. An increase in legal costs and terminal payments to long time employees who separated from service also contributed to increased expenditures in FY19.

In November 2018 El Cerrito voters approved a ballot measure that enabled the City to become a Charter City. Along with that, they also approved Measure V that permitted the City to begin collecting a Real Property Transfer Tax on sale of properties within the City limits. The transfer tax came into effect in January of 2019 and for the six-month period from January to June 2019, the City received $1.1 million in property transfer taxes.

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

Table A-3. Summary Analysis of General Fund Budget

Category	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budget Basis)	Variance Positive/ (Negative)
Revenues				
Property tax	$ 10,068,000	$ 10,068,000	$ 10,182,035	$ 114,035
Other taxes	15,712,000	15,712,000	15,710,385	(1,615)
Real Property Transfer Tax	$ 200,000	$ 800,000	$ 1,102,563	$ 302,563
Intergovernmental	3,651,000	3,801,000	4,091,055	290,055
Charges for services	6,709,700	6,709,700	6,933,840	224,140
Other general revenues	1,370,000	1,370,000	1,333,854	(36,146)
Total Revenues	37,710,700	38,460,700	39,353,732	893,032
Expenditures				
General government	5,443,816	5,450,191	5,934,956	(484,765)
Public Works	1,840,883	1,847,397	1,967,260	(119,863)
Recreation	5,399,359	5,393,176	5,794,027	(400,851)
Community Development	2,269,021	2,284,615	2,522,098	(237,483)
Public safety	21,848,252	21,998,252	23,379,219	(1,380,967)
Capital Outlay	165,000	172,775	344,253	(171,478)
Debt Service	130,472	156,232	260,940	(104,708)
Total expenditures	37,096,803	37,302,638	40,202,753	(2,900,115)
Total excess (deficiency) of revenues over expenditures	613,897	1,158,062	(849,021)	(2,007,083)
Other Financing Sources (Uses)				
Transfers in	54,671	54,671	1,117,990	1,063,319
Transfers out	(607,522)	(1,289,473)	(1,330,107)	(40,634)
Capital lease financing			116,121	116,121
Total other financing sources (uses)	(552,851)	(1,234,802)	(95,996)	1,138,806
Special items				
Proceeds of Sale of Land from CCC		681,951	800,755	118,804
Total Special Items		681,951	800,755	118,804
Net Change in Fund Balance	61,046	605,211	(144,262)	(749,473)
Ending Fund Balance (FY 17-18)	87,570	87,570	87,570	
Ending Fund Balance (FY 18-19)	$ 148,616	$ 692,781	$ (56,692)	$ (749,473)

Other Major Governmental Funds. In addition to the General Fund two other funds are also recognized as major funds this fiscal year. They are the Low/mod Income Housing Trust Fund and the City Housing Trust Fund. The Municipal Services Corporation Fund and the Capital Improvement Fund are classified as non-major governmental funds in FY19 as they did not meet the criteria to be presented as Major funds.

Low/Mod Income Housing Asset Fund. Pursuant to ABx1 26 and AB 1484, the City elected to serve as the Housing Successor to the Redevelopment Agency and established this fund to record housing-related activity. The fund balance at the end of June 30, 2019 was $5.1 million, loans restricted for use on affordable housing related projects and programs.

City Housing Trust Fund. Established for providing pass through funds for Affordable Housing projects for which the City is a co-applicant. The fund balance at the end of June 30, 2019 was $2.8 million, loans restricted for use on Housing related projects and programs. In FY18, this fund owed the General Fund $250,352 which was written off as authorized by City Council as a part of the FY19 Mid-Year Budget Amendment.

Propriety Funds. At the end of fiscal year 2019, the unrestricted net position of the Integrated Waste Management Fund was negative $237,733 and negative $39,821 for the Vehicle and Equipment Replacement Internal Service Fund. The only expense out of the Vehicle and Equipment Replacement Internal Service Fund is for debt payments on a fire department vehicle. The funding for this is a transfer from General Fund and the negative position will be made whole when the General Fund makes the internal transfer payment in FY20.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. By the end of FY19, the City had invested $77.38 million in a broad range of capital assets, including land, buildings, equipment, infrastructure and vehicles. The City's capital assets are summarized in Table 4, and a more detailed description is provided in Note 5 to the accompanying financial statements. The increase in construction in progress reflects uncompleted projects that will be reclassified as infrastructure such as streets repaving, bike path, and traffic lights. These also include a project that is funded by a federal grant.

Table A-4. Capital Assets

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18	
Land	$ 4,888,926	$ 4,888,926			$ 4,888,926	$ 4,888,926	0.0%
Construction in progress	5,270,611	1,881,129			5,270,611	1,881,129	180.2%
Buildings & improvements	27,408,552	32,923,796	$ 3,495,683	$ 3,495,683	30,904,235	36,419,479	-15.1%
Equipment & Vehicles	6,248,620	5,939,358	1,597,612	1,597,612	7,846,232	7,536,970	4.1%
Infrastructure	79,213,482	78,460,253			79,213,482	78,460,253	1.0%
Total at historical cost	123,030,191	124,093,462	5,093,295	5,093,295	128,123,486	129,186,757	-0.8%
Accumulated depreciation	(49,249,564)	(46,248,512)	(1,493,521)	(1,237,647)	(50,743,085)	(47,486,159)	6.9%
Net capital assets	$ 73,780,627	$ 77,844,950	$ 3,599,774	$ 3,855,648	$ 77,380,401	$ 81,700,598	-5.3%

Long Term Debt. At year-end FY19, the City had $20.0 million in bonds, notes, and other long-term debt, a decrease of $1.5 million from FY18. The City's long-term debt is summarized in Table 5 and a more detailed description is provided in Note 7 to the accompanying financial statements.

Table A-5. Long-Term Debt

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18	
Revenue bonds and notes	$ 17,083,159	$ 17,945,973	$ 2,317,523	$ 2,647,698	$ 19,400,682	$ 20,593,671	-5.8%
Capital Leases	1,046,650	1,273,712	59,415	176,676	1,106,065	1,450,388	-23.7%
Total at historical cost	$ 18,129,809	$ 19,219,685	$ 2,376,938	$ 2,824,374	$ 20,506,747	$ 22,044,059	-7.0%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Total revenue continues to improve with a moderate increase anticipated in FY20. Expenses too have been increasing at a faster pace driven by increasing employee costs. The City's Real Property Transfer Tax revenue has helped pay for increased Public Safety overtime and will help the General Fund reserves get closer to the policy goal of 10% reserve ratio at the end of the next biennial budget cycle.

Employee costs continue to trend upwards as retirement contributions drive pension costs higher. General Fund Employee costs are projected at nearly 75% of Total General Fund Expenditures for FY19. This proportion will increase with the increase in pension related costs in FY20 and beyond.

The City remains focused on financial stability and opportunities to strengthen our financial position. On a macroeconomic scale, the US has not had a recession in the past 10 years. There is increasing concern in some business circles that a recession is long overdue but may not be as bad as the last one. The City is mindful of the risks of not having sufficient reserves in such an eventuality and is working to establish and maintain a General Fund balance that can sustain it so that it can continue to provide the quality of services residents have come to expect.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of El Cerrito

Statement of Net Position

June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 8,806,038	$ 180	$ 8,806,218
Accounts receivable	705,797	430,000	1,135,797
Interest receivable	909,996	-	909,996
Due from other government	2,645,695	36,644	2,682,339
Advance to El Cerrito Redevelopment Agency Successor Agency	1,321,189	-	1,321,189
Inventory	11,772	-	11,772
Internal balances	541,420	(541,420)	-
Total current assets	14,941,907	(74,596)	14,867,311
Noncurrent assets:			
Restricted cash and investments with fiscal agents	187,460	-	187,460
Loans and notes receivable	7,293,486	-	7,293,486
Land held for resale or redevelopment	1,005,011	-	1,005,011
Capital assets:			
Non-depreciable	10,159,537	-	10,159,537
Depreciable, net	63,621,090	3,599,774	67,220,864
Total capital assets	73,780,627	3,599,774	77,380,401
Total noncurrent assets	82,266,584	3,599,774	85,866,358
Total assets	97,208,491	3,525,178	100,733,669
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows-Pension related amounts	15,359,232	-	15,359,232
Deferred outflows-OPEB related amounts	123,492	-	123,492
Deferred loss on refunding	459,969	64,253	524,222
Total deferred outflows of resources	15,942,693	64,253	16,006,946
LIABILITIES			
Current liabilities:			
Accounts payable	1,226,382	5,660	1,232,042
Accrued liabilities	1,296,734	86,983	1,383,717
Accrued interest payable	201,946	-	201,946
Deposits payable	901,309	-	901,309
Unearned revenue	80,381	-	80,381
Note payable due within one year	6,000,000	-	6,000,000
Claims payable - due within one year	14,571	-	14,571
Compensated absences - due within one year	1,317,245	45,821	1,363,066
Long-term debt - due within one year	1,154,302	398,089	1,552,391
Total current liabilities	12,192,870	536,553	12,729,423
Noncurrent liabilities:			
Claims payable- due in more than one year	21,594	-	21,594
Compensated absences - due in more than one year	709,285	24,673	733,958
Long-term debt - due in more than one year, net	16,975,507	1,978,849	18,954,356
Net OPEB Liability	2,994,539	-	2,994,539
Net pension liability	61,856,499	-	61,856,499
Total noncurrent liabilities	82,557,424	2,003,522	84,560,946
Total liabilities	94,750,294	2,540,075	97,290,369
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension related amounts	2,538,860	-	2,538,860
Deferred inflows -OPEB related amounts	224,102	-	224,102
Deferred gain on refunding	159,918	-	159,918
Total deferred inflows of resources	2,922,880	-	2,922,880
NET POSITION			
Net investment in capital assets	55,950,869	1,287,089	57,237,958
Restricted for:			
Capital projects	2,933,499	-	2,933,499
Debt service	195,642	-	195,642
Community development projects	11,096,365	-	11,096,365
Total restricted	14,225,506	-	14,225,506
Unrestricted	(54,698,365)	(237,733)	(54,936,098)
Total net position	$ 15,478,010	$ 1,049,356	$ 16,527,366

See accompanying Notes to Basic Financial Statements

City of El Cerrito
Statement of Activities
For the year ended June 30, 2019

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary Government:					
Governmental activities:					
General government	$ 6,723,883	$ 983,618	$ 600	$ -	$ 984,218
Public works	8,800,985	453,911	1,864,450	5,122,545	7,440,906
Recreation	6,852,784	4,385,622	26,934	4,591	4,417,147
Community development	2,683,918	1,917,141	62,679	(34,129)	1,945,691
Public safety	26,250,994	3,437,116	1,579,799	-	5,016,915
Interest on long-term debt	837,272	-	-	-	-
Total governmental activities	52,149,836	11,177,408	3,534,462	5,093,007	19,804,877
Business-type activities:					
Integrated Waste Management	2,606,192	2,581,473	62,894	-	2,644,367
Total business-type activities	2,606,192	2,581,473	62,894	-	2,644,367
Total primary government	$ 54,756,028	$ 13,758,881	$ 3,597,356	$ 5,093,007	$ 22,449,244

General Revenues and Transfers:

Taxes:

Secured and unsecured property taxes

Sales and use taxes

Transient lodging taxes

Franchise taxes

Business license taxes

Utility user taxes

Real Property County Transfer Tax

Other taxes

Total taxes

Use of money and property

Other

Transfers

Special item:

Loss on sale of capital assets

Land Sale Proceeds to the Contra Costa County

Land Sale Proceeds Transfers to Successor Agency Fund

Gain on sale of land held for resale

Proceeds of sale of land from Contra Costa County

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year

See accompanying Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (5,739,665)	$ -	$ (5,739,665)
(1,360,079)	-	(1,360,079)
(2,435,637)	-	(2,435,637)
(738,227)	-	(738,227)
(21,234,079)	-	(21,234,079)
(837,272)	-	(837,272)
(32,344,959)	-	(32,344,959)
-	38,175	38,175
-	38,175	38,175
(32,344,959)	38,175	(32,306,784)
14,242,520	-	14,242,520
8,318,511	-	8,318,511
147,550	-	147,550
1,244,897	-	1,244,897
910,104	-	910,104
3,207,892	-	3,207,892
1,102,563	-	1,102,563
1,935	-	1,935
29,175,972	-	29,175,972
291,016	-	291,016
49,556	-	49,556
3,671	(3,671)	-
-		
(4,334,678)	-	(4,334,678)
(3,457,547)	-	(3,457,547)
(1,202,453)	-	(1,202,453)
1,420,347	-	1,420,347
800,755	-	800,755
22,746,639	(3,671)	22,742,968
(9,598,320)	34,504	(9,563,816)
25,076,330	1,014,852	26,091,182
$ 15,478,010	$ 1,049,356	$ 16,527,366

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

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

City of El Cerrito
Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds				
	General Fund	Low/Mod Income Housing Asset Special Revenue Fund	City Housing Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 4,349,089	$ 803,094	$ -	$ 3,653,854	$ 8,806,037
Cash with fiscal agents	-	-	-	187,460	187,460
Accounts receivable	-	-	-	705,797	705,797
Interest receivable	-	909,996	-	-	909,996
Due from other governments	2,113,059	-	-	532,636	2,645,695
Due from other funds	951,617	-	-	-	951,617
Advance to other funds	317,967	-	-	-	317,967
Advance to El Cerrito Redevelopment Agency Successor Agency	1,321,189	-	-	-	1,321,189
Loans receivable	-	4,433,486	2,860,000	-	7,293,486
Inventory	11,772	-	-	-	11,772
Land held for resale or redevelopment	-	1	-	1,005,010	1,005,011
Total assets	$ 9,064,693	$ 6,146,577	$ 2,860,000	$ 6,084,757	$ 24,156,027
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	888,579	99	-	337,704	1,226,382
Accrued liabilities	1,231,944	-	-	64,790	1,296,734
Due to other funds	-	-	-	688,343	688,343
Deposits payable	804,162	-	25,000	72,147	901,309
Unearned revenue	80,381	-	-	-	80,381
Note payable	6,000,000	-	-	-	6,000,000
Total liabilities	9,005,066	99	25,000	1,162,984	10,193,149
Deferred inflows of resources:					
Unavailable revenue - sales tax	116,319	-	-	-	116,319
Unavailable revenue - interest receivable	-	1,014,736	-	-	1,014,736
Unavailable revenue - accounts receivable	-	-	-	80,000	80,000
Total deferred inflows of resources	116,319	1,014,736	-	80,000	1,211,055
Fund Balances:					
Nonspendable					
Advance to other funds	317,967	-	-	-	317,967
Advance to El Cerrito Redevelopment Agency Successor Agency	1,321,189	-	-	-	1,321,189
Inventory	11,772	-	-	-	11,772
Restricted for:					
Redevelopment Projects & Programs	-	-	-	1,048,578	1,048,578
Housing Activities	-	5,131,742	-	-	5,131,742
Debt service	-	-	-	195,642	195,642
Street improvements	-	-	-	1,542,630	1,542,630
Transportation projects	-	-	-	167,417	167,417
Public Safety - Police	-	-	-	318,572	318,572
Public Safety - Vehicle Abatement	-	-	-	382,094	382,094
Park and Recreation	-	-	-	365,643	365,643
Storm drains	-	-	-	911,088	911,088
Public Art	-	-	-	232,364	232,364
City Housing Trust	-	-	2,835,000	-	2,835,000
Unassigned	(1,707,620)	-	-	(322,255)	(2,029,875)
Total fund balances	(56,692)	5,131,742	2,835,000	4,841,773	12,751,823
Total liabilities, deferred inflows of resources, and fund balances	$ 9,064,693	$ 6,146,577	$ 2,860,000	$ 6,084,757	$ 24,156,027

See accompanying Notes to Basic Financial Statements

City of El Cerrito
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2019

Total Fund Balances - Total Governmental Funds $ 12,751,823

Amounts reported for governmental activities in the Statement of Net Position were different from those reported in the Governmental Funds above because of the following:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Non-depreciable	$ 10,159,537	$ -	10,159,537
Depreciable, net	63,621,090	(671,549)	62,949,541
Total capital assets	$ 73,780,627	$ (671,549)	73,109,078

Unavailable revenue recorded in the fund financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in the Government-Wide Financial Statements.	1,211,055
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.	(201,946)
Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.	568,028
Employer contributions for OPEB were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statement these contributions are deferred.	123,492
Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statement these contributions are deferred.	6,353,342
In the Government-Wide Financial Statement certain differences between actuarial estimates and actual results for pension and OPEB are deferred and amortized over a period of time, however, in the governmental funds no transactions are recorded.	
Deferred outflows of resources - pension	9,005,890
Deferred inflows of resources - pension	(2,538,860)
Deferred inflows of resources - OPEB	(224,102)
Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt.	300,051

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Claims payable - due within one year	$ (14,571)	$ -	$ (14,571)
Compensated absences - due within one year	(1,317,245)	-	(1,317,245)
Long-term debt - due within one year	(1,154,302)	63,700	(1,090,602)
Claims payable- due in more than one year	(21,594)	-	(21,594)
Compensated absences - due in more than one year	(709,285)	-	(709,285)
Long-term debt - due in more than one year, net	(16,975,507)	-	(16,975,507)
Net OPEB Liability	(2,994,539)	-	(2,994,539)
Net pension liability	(61,856,499)	-	(61,856,499)
Total long-term liabilities	$ (85,043,542)	$ 63,700	(84,979,842)

Net Position of Governmental Activities $ 15,478,010

See accompanying Notes to Basic Financial Statements

City of El Cerrito

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2019

	Major Funds				
	General Fund	Low/Mod Income Housing Asset Fund	City Housing Trust Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes and assessments	$ 26,994,983	$ -	$ -	$ 4,372,732	$ 31,367,715
Licenses and permits	775,876	-	-	-	775,876
Fines and penalties	218,684	-	-	13,614	232,298
Use of money and property	157,264	74,829	-	29,518	261,611
Intergovernmental revenues	4,091,055	-	-	5,518,737	9,609,792
Charges for services	6,933,840	-	-	10,955	6,944,795
Other revenues	182,030	-	-	400,785	582,815
Total revenues	39,353,732	74,829	-	10,346,341	49,774,902
EXPENDITURES:					
Current:					
General Government	5,934,956	-	-	14,988	5,949,944
Public works	1,967,260	-	-	2,672,724	4,639,984
Recreation	5,794,027	-	-	242,979	6,037,006
Community development	2,522,098	10,677	-	(992)	2,531,783
Public safety	23,379,219	-	-	511	23,379,730
Capital outlay	344,253	-	-	4,689,071	5,033,324
Debt service:					
Principal	126,504	-	-	948,500	1,075,004
Interest and fiscal fees	134,436	-	-	693,027	827,463
Total expenditures	40,202,753	10,677	-	9,260,808	49,474,238
REVENUES OVER (UNDER) EXPENDITURES	(849,021)	64,152	-	1,085,533	300,664
OTHER FINANCING SOURCES (USES):					
Transfers in	1,117,990	-	250,352	2,138,024	3,506,366
Transfers (out)	(1,330,107)	-	-	(2,199,449)	(3,529,556)
Capital lease financing	116,121	-	-	-	116,121
Total other financing sources (uses)	(95,996)	-	250,352	(61,425)	92,931
SPECIAL ITEMS					
Land Sale Proceeds to the Contra Costa County	-	-	-	(3,457,547)	(3,457,547)
Land Sale Proceeds Transfers to Successor Agency Fund	-	-	-	(1,202,453)	(1,202,453)
Gain on sale of land held for resale	-	-	-	1,420,347	1,420,347
Proceeds of sale of land from Contra Costa County	800,755	-	-	-	800,755
Total special items	800,755	-	-	(3,239,653)	(2,438,898)
Net change in fund balances	(144,262)	64,152	250,352	(2,215,545)	(2,045,303)
FUND BALANCES (DEFICITS):					
Beginning of year	87,570	5,067,590	2,584,648	7,057,318	14,797,126
End of year	$ (56,692)	$ 5,131,742	$ 2,835,000	$ 4,841,773	$ 12,751,823

See accompanying Notes to Basic Financial Statements

City of El Cerrito

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

For the year ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds	$ (2,045,303)
Amounts reported for governmental activities in the Statement of Activities were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	4,451,975
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds.	(3,860,441)
Accrued compensated leave payable was an expenditure in governmental funds, but the accrued payable increased compensated leave liabilities in the Government-Wide Statement of Net Position.	(151,929)
Proceeds from sale of assets are recognized as revenue in the governmental funds, however, only gain or loss on disposal assets is recognized in the government-wide	(4,334,678)
Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt. This amount is the current year net amortization expense.	(17,672)
OPEB expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(307,465)
Bond proceeds provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Capital lease financing	(116,121)
Long-term debt repayments	1,075,003
Revenues that are not considered to be available are reported as unavailable revenues in the governmental funds, however, these amounts are recognized in the Government-Wide Statement of Activities. This amount represents the change in unavailable revenues.	(453,481)
Current year employer OPEB contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	123,492
Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	6,353,342
Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however, pension expense is not recognized in the governmental funds.	(10,142,826)
Long-term debt premium and discount was recorded as an other financing source or (use) in the governmental funds, but the payment was treated as an increase (decrease) in long-term liabilities and will be amortized over the life of the bonds in the Government-Wide Statement of Net Position. - This amount is the current year amortization expense	5,277
Interest expense on long-term debt is reported on the accrual basis on the Government-Wide Statements, but expenditures on long-term debt in the governmental funds statements are recorded when paid. The following amount represents the change in accrued interest from the prior year.	5,401
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	(168,131)
Claim payments are recorded as expenditures in governmental funds, however these payments are recorded as reduction in claims payable in the Government-Wide Statements. In addition claim expense and claim adjustments are reported as expense in the Government-Wide Statements.	(14,763)
Change in Net Position of Governmental Activities	$ (9,598,320)

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PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

City of El Cerrito
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activity Integrated Waste Management Enterprise Fund	Governmental Activity Vehicle and Equipment Replacement Internal Service Fund
ASSETS		
Current assets:		
Cash and investments	$ 180	$ -
Accounts receivable, net	430,000	-
Due from other governments	36,644	-
Total current assets	466,824	-
Capital Assets:		
Buildings, equipment and vehicles	5,093,296	2,737,962
Less accumulated depreciation	(1,493,522)	(2,066,413)
Net capital assets	3,599,774	671,549
Total assets	4,066,598	671,549
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	64,253	-
Total deferred outflows of resources	64,253	-
LIABILITIES		
Current liabilities:		
Accounts payable	5,660	-
Accrued liability	86,983	-
Due to other funds	223,453	39,821
Advance from other funds	317,967	-
Compensated absences - due within one year	45,821	-
Leases payable - due within one year	398,089	63,700
Total current liabilities	1,077,973	103,521
Long-term liabilities:		
Compensated absences - due in more than one year	24,673	-
Leases payable - due in more than one year	1,978,849	-
Total long-term liabilities	2,003,522	-
Total liabilities	3,081,495	103,521
NET POSITION (DEFICIT)		
Net investment in capital assets	1,287,089	607,849
Unrestricted	(237,733)	(39,821)
Total net position (deficit)	$ 1,049,356	$ 568,028

See accompanying Notes to Basic Financial Statements

City of El Cerrito
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2019

	Business-Type Activity	Governmental Activity
	Integrated Waste Management Enterprise Fund	Vehicle and Equipment Replacement Internal Service Fund
OPERATING REVENUES:		
Charges for current services	$ 2,475,924	$ 129,000
Recycling sales	104,428	-
Other	1,121	-
Total operating revenues	2,581,473	129,000
OPERATING EXPENSES:		
Personnel costs	1,518,266	-
Services	623,320	-
Supplies	110,337	-
Depreciation	255,875	321,177
Total operating expenses	2,507,798	321,177
OPERATING INCOME (LOSS)	73,675	(192,177)
NONOPERATING REVENUES (EXPENSES):		
Grants	62,894	-
Interest expense	(98,394)	(2,816)
Total nonoperating revenues (expenses)	(35,500)	(2,816)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS:	38,175	(194,993)
Transfers in	-	26,862
Transfers (out)	(3,671)	-
Total transfers	(3,671)	26,862
Change in net position	34,504	(168,131)
NET POSITION (DEFICIT):		
Beginning of year	1,014,852	736,159
End of year	$ 1,049,356	$ 568,028

See accompanying Notes to Basic Financial Statements

City of El Cerrito
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2019

	Business-Type Activities Integrated Waste Management Enterprise Fund	Governmental Activities Vehicle and Equipment Replacement Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 2,492,601	$ 129,000
Payments to suppliers	(747,857)	-
Payments to employees	(1,492,347)	-
Net cash provided by (used in) operating activities	252,397	129,000
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants	62,894	-
Receipts from other funds	223,453	-
Payments to other funds	-	(27,330)
Transfers in	-	26,862
Transfers (out)	(3,671)	-
Net cash provided by (used in) noncapital financing activitie	282,676	(468)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal paid	(447,437)	(125,716)
Interest paid	(87,636)	(2,816)
Net cash used in capital and related financing activities	(535,073)	(128,532)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS - Beginning of year	180	-
CASH AND CASH EQUIVALENTS - End of year	$ 180	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	$ 73,675	$ (192,177)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	255,875	321,177
Changes in assets, deferred outflows and inflows of resources, and liabilities		
Accounts receivable, net	(52,228)	-
Due from other governments	(36,644)	-
Accounts payable	(14,200)	-
Accrued liability	30,611	-
Compensated absences	(4,692)	-
Total adjustments	178,722	321,177
Net cash provided by (used in) operating activities	$ 252,397	$ 129,000

See accompanying Notes to Basic Financial Statements

FIDUCIARY FUND FINANCIAL STATEMENTS

Pension Trust Fund

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

Private Purpose Trust Fund

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

City of El Cerrito

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2019

	Pension Trust Fund	El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust
ASSETS		
Cash and investments	$ -	$ -
Total assets	-	-
LIABILITIES		
Accrued liabilities	-	101,946
Advance from City of El Cerrito	-	1,321,189
Long-term obligations:		
Due within one year	-	1,726,275
Due in more than one year	-	10,771,710
Total liabilities	-	13,921,120
NET POSITION (DEFICIT):		
Held in trust for other governments	$ -	$ (13,921,120)

See accompanying Notes to Basic Financial Statements

City of El Cerrito
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the year ended June 30, 2019

	Pension Trust Fund	El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust
ADDITIONS:		
Property taxes	$ -	$ 2,138,127
Employer contributions	85,774	-
Gain on debt release	-	1,202,453
Total additions	85,774	3,340,580
DEDUCTIONS:		
Retirement and other benefits	85,774	-
General government	-	10,095
Community development	-	250,000
Transfer to general fund	-	483,233
Debt service:		
Interest and fiscal charges	-	400,786
Total Deductions	85,774	1,144,114
Change in net position	-	2,196,466
NET POSITION (DEFICIT) HELD IN TRUST FOR PENSION BENEFITS AND OTHER GOVERNMENTS:		
Beginning of year	-	(16,117,586)
End of year	$ -	$ (13,921,120)

See accompanying Notes to Basic Financial Statements

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NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of El Cerrito (City) was incorporated August 1, 1917. The City provides the following services: public safety (police and fire), recreation, streets and highways, recycling, public improvements, planning and zoning, and general administration services. The City's population has remained relatively stable for some years; population at June 30, 2019, was 25,601.

The City operates under the Council-Manager form of government, with five elected Council members served by a full-time City Manager and staff. At June 30, 2019, the City's staff comprised 115 full time, 112 seasonal and 55 part-time employees. In addition, the City employs recreation and other personnel as needed on a seasonal basis.

A. Reporting Entity

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

The El Cerrito Public Financing Authority (Authority)

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

The El Cerrito Municipal Services Corporation

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Reporting Entity, Continued

The City of El Cerrito Employees' Pension Plan

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

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

B. Basis of Presentation

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

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

Government-wide Statements:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Presentation, Continued

Fund Financial Statements:

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

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

C. Major Funds

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

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

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

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

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

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

The City also reports the following fund types:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. *Major Funds, Continued*

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

D. *Basis of Accounting*

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

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

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

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

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

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

E. *Cash, Cash Equivalents, and Investments*

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Cash, Cash Equivalents, and Investments, Continued

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

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

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

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

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

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

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

F. Property Tax

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. *Property Tax, Continued*

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

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

G. *Inventory and Prepaid Items*

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

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

H. *Land Held for Redevelopment*

Land parcels held for redevelopment are accounted for at the lower of cost or net realizable value or agreed upon sales price if a disposition agreement has been made with a developer. The Municipal Services Corporation holds seven parcels of land for redevelopment with a book value of $4,244,663 as of June 30, 2018. During fiscal year 2019, the City sold three parcels of land for redevelopment. The book value of the remaining four parcels of land for redevelopment was $1,005,010 as of June 30, 2019. As discussed in Note 16, the parcels were acquired from the Agency after it made required findings in accordance with Health and Safety Code Section 33433, requiring development of the parcels consistent with the Redevelopment Plan.

In July 2013, the Municipal Services Corporation entered into an Exclusive Negotiating Rights Agreement (ENRA) with a developer to negotiate the terms of a Disposition and Development Agreement related to two of the parcels. The ENRA does not obligate the Municipal Services Corporation to sell or the developer to purchase the site, but it is a period of good faith negotiations. As of June 30, 2019, the ENRA was still in effect, but the book value of the parcels has not been affected by the ENRA, because the potential sales price has not yet been determined.

The Low and Moderate Income Housing Asset Fund holds one parcel of land with a previous book value of $3,060,000. During fiscal year 2014, the City entered into a disposition development and loan agreement (DDLA) for the sale of the property to a developer The terms of the DDLA indicate the property will be sold to the developer for $1 therefore book value has been reduced to that amount as of June 30, 2014.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Capital Assets

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

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

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

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

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

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

J. Deferred Outflows/Inflows of Resources

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. *Compensated Absences*

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

L. *Deferred Compensation*

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

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

M. *Estimates and Assumptions*

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

N. *Net Position*

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Net Position, Continued

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

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

O. Fund Balances

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

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. Pension

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

Q. Other Postemployment Benefits (OPEB)

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

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

Valuation Date:	June 30, 2017
Measurement Date:	June 30, 2018
Measurement Period:	July 1, 2017 to June 30, 2018

R. New GASB Pronouncements

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended June 30, 2019.

- GASB Statement No. 83, *Certain Asset Retirement Obligations* - The objective of this Statement is to provide financial statement users with information about asset retirement obligations1 (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. The requirements of this statement did not apply to the City for the current fiscal year.

- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*– The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. The requirements of this statement did not apply to the City for the current fiscal year.

2. CASH AND INVESTMENTS

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

	Government-Wide Statement of Net Position			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	$ 8,806,038	$ 180	$ -	$ 8,806,218
Restricted cash and investments	187,460	-	-	187,460
Total cash and investments	$ 8,993,498	$ 180	$ -	$ 8,993,678

A. *Classification*

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

Cash and investments as of June 30, 2019 consist of the following:

Cash on hand	$ 2,570
Deposits with financial institution	2,697,613
Total cash on hand and deposits	2,700,183
Local Agency Investment funds	6,106,035
Total investments	6,106,035
Total City Treasury	8,806,218
Cash and investments with fiscal agent	187,460
Total cash and investments	$ 8,993,678

B. *Policies*

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

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

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

2. CASH AND INVESTMENTS, Continued

C. Deposits

The carrying amount of the City's cash deposit was a positive amount of $2,697,613 at June 30, 2019. Bank balances before reconciling items were $2,837,651 at June 30, 2019. The City has waived the collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

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

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

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

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

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

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

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

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

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

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

2. CASH AND INVESTMENTS, Continued

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

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2019, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

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

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

As of June 30, 2019, the City had $6,106,035 invested in LAIF, which had invested 1.77% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.67% in the previous year. The LAIF fair value factor of 1.001711790 was used to calculate the fair value of the investments in LAIF.

E. Investments Authorized by Debt Agreements

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

F. Interest Rate Risk

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

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

		Investment Maturities (in years)				
Investment Type	**Total**	**1 year or Less**	**1 - 2 years**	**2- 3 years**	**3 - 4 years**	**4 years or More**
Local Agency Investment Fund	6,106,035	6,106,035	-	-	-	-
Total	$ 6,106,035	$ 6,106,035	$ -	$ -	$ -	$ -

2. CASH AND INVESTMENTS, Continued

G. *Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2019 for each of the City's investments as provided by Standard and Poor's investment rating service:

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End: Not Rated
Local Agency Investment Fund	6,106,035	N/A	-	6,106,035
Total	$ 6,106,035		$ -	$ 6,106,035

H. *GASB 72 Fair Value Hierarchy*

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

3. INTERFUND TRANSACTIONS

A. *Transfers between Funds*

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

Transfers between funds during the fiscal year ended June 30, 2019 were as follows:

	Transfers In				
Transfers Out	General Fund	City Housing Trust Fund	Non-Major Governmental Funds	Internal Service Funds	Total
Major Governmental Funds:					
General Fund	$ -	$ 250,352	$ 1,052,893	$ 26,862	$ 1,330,107
Non-Major Governmental Funds	1,114,319	-	1,085,130	-	2,199,449
Major Enterprise Funds:					
Integrated Waste Management	3,671	-	-	-	3,671
Total	$ 1,117,990	$ 250,352	$ 2,138,024	$ 26,862	$ 3,533,228

3. INTERFUND TRANSACTIONS, Continued

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2019, the amounts of current interfund balances were as follows:

Due To General Fund		**Due From Other Funds**
Gas Tax Special Revenue Fund	$	89,525
Grants Fund		129,407
Capital Improvement Capital Projects Fund		74,243
Measure J Fund		395,168
Vehicle Replacement Fund		39,821
Integrated Waste Management Enterprise Fund		223,453
Total	$	951,617

C. Non-current Interfund Balances

Non-current interfund balances arise in the normal course of business and are expected to be repaid more than one year. At June 30, 2019, the amounts of non-current interfund balances were as follows:

Advances from General Fund		**Advance To Other Funds**
Integrated Waste Management Enterprise Fund		317,967
Total	$	317,967

D. Internal Balances

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

4. LOANS RECEIVABLE

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

Description	Loan Receivable	Interest Receivable	Total Balance June 30, 2019
Governmental Funds:			
Ohlone Gardens LP-City Housing Trust	$ 2,860,000	$ -	$ 2,860,000
Ohlone Gardens LP-Low and Moderate Income Housing	3,500,000	873,697	4,373,697
Idaho Apartments	466,212	-	466,212
Eden Housing	299,999	36,299	336,298
Successor Agency Loan	167,275	-	167,275
Total governmental funds	7,293,486	909,996	8,203,482
Total Primary Government	$ 7,293,486	$ 909,996	$ 8,203,482

A. *Ohlone Gardens, L.P.*

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

Predevelopment activities and acquisition of the site began in fiscal year 2009. With the dissolution of the Redevelopment Agency as discussed in Note 16, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. The developer made the final loan drawdown of $471,152 during fiscal year 2013-14. The balance of the Loan at June 30, 2019 is $4,373,697 including accrued interest of $873,697.

In fiscal year 2014, the City entered into an Infill Infrastructure loan agreement with Ohlone Gardens, L.P. for $2,860,000 for the purpose of funding infrastructure work for a 57-unit affordable housing development. The Loan is contingent on the City receiving funding and approval from the California Department of Housing and Community Development Infill Infrastructure Grant Program. The Loan bears no interest and is due in one lump sum the earlier of the fifty-fifth anniversary of the final certificate of occupancy for the project or the fifty-seventh anniversary of the date of the Loan. The Loan is secured by a deed of trust on the property that is subordinated to the 2009 loan above and to the primary construction financing. As of June 30, 2019, the City has drawn down $2,860,000.

4. LOANS RECEIVABLE, Continued

B. Idaho Apartments

The former Redevelopment Agency entered into an Owner Participation Agreement for Idaho Apartments in 1997 in which the Agency agreed to make a loan to the project which included rehabilitation of the deteriorated building. At that time, the developer requested assistance to help repay a loan from a non-profit agency. In August 2000, the non-profit agency loan was replaced by another loan obtained by the developer and the Agreement was amended to reflect that fact as well as reaffirm the Agency's commitment to make a loan of up to $350,000 to repay the developer's other loan when that loan matured in 2008. The Loan bears simple interest at the rate of 3% per year, beginning with the date of first disbursement. No payments were due for the first ten and one- half years after the date of occupancy, which ended on December 9, 2009. Subsequent to that date, the loan is repayable from residual receipts, as defined in the Agreement. The Loan is secured by a subordinated deed of trust in the third position on the property. The Agency disbursed $350,000 to the developer during the year ended June 30, 2009. With the dissolution of the Redevelopment Agency as discussed in Note 15, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. The Loan was recast in December 2017 and all previous interest accrued was added to the loan balance. The new interest rate is 2.64%. The balance of the loan at June 30, 2019 is $466,212.

C. Eden Housing, Inc.

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

In April 2014, the City entered into a DDLA with Eden Housing, Inc., that involves the sale of the property as discussed in Note 1G, as well as a new loan agreement that replaces the original agreement. The Loan will be secured by a deed of trust on the property that will be subordinated to other financing on the project that is approved by the City. The loan bears simple interest at the rate of 3% per year, beginning with the date of first disbursement and is repayable 55 years from the date of issuance of the certificate of occupancy from residual receipts, as defined in the agreement.

Predevelopment activities began in fiscal year 2011, and the developer has drawn down $299,999 of the loan and $50,001 remains available for drawdown at June 30, 2019. The balance of the loan at June 30, 2019 is $336,298, including accrued interest of $36,299.

4. LOANS RECEIVABLE, Continued

D. Successor Agency Loans

During the fiscal year ending June 30, 2010, the Agency approved an interfund advance authorizing the Redevelopment Capital Projects Fund to borrow $1,767,418 from the Low and Moderate Income Housing Fund to assist in making the Agency's 2009-10 contribution to the Supplemental Educational Revenue Augmentation Fund (SERAF). This loan does not bear interest and in repayable in five equal annual installments. The balance of the loan at June 30, 2019 was $167,275.

5. CAPITAL ASSETS

Capital assets at June 30 comprise:

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Government activities					
Capital assets not being depreciated:					
Land	$ 4,888,926	$ -	$ -	$ -	$ 4,888,926
Construction in progress	1,881,129	4,142,711	-	(753,229)	5,270,611
Total capital assets not being depreciated	6,770,055	4,142,711	-	(753,229)	10,159,537
Capital assets being depreciated:					
Buildings and improvements	32,923,796	-	(5,515,244)	-	27,408,552
Equipment and vehicles	5,939,358	309,262	-	-	6,248,620
Infrastructure	78,460,253	-	-	753,229	79,213,482
Total capital assets being depreciated	117,323,407	309,262	(5,515,244)	753,229	112,870,654
Less accumulated depreciation for:					
Buildings and improvements	(8,828,861)	(726,219)	1,180,566	-	(8,374,514)
Equipment and vehicles	(4,209,432)	(668,135)	-	-	(4,877,567)
Infrastructure	(33,210,219)	(2,787,264)	-	-	(35,997,483)
Total accumulated depreciation	(46,248,512)	(4,181,618)	1,180,566	-	(49,249,564)
Net capital assets being depreciated	71,074,895	(3,872,356)	(4,334,678)	753,229	63,621,090
Governmental activity capital assets, net	$ 77,844,950	$ 270,355	$ (4,334,678)	$ -	$ 73,780,627

5. CAPITAL ASSETS, Continued

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Business-Type Activities					
Capital assets being depreciated					
Buildings	$ 3,495,683	$ -	$ -	$ -	$ 3,495,683
Equipment and Vehicles	1,597,612	-	-	-	1,597,612
Total capital assets being depreciated	5,093,295	-	-	-	5,093,295
Less accumulated depreciation for:					
Buildings	(366,492)	(70,529)	-	-	(437,021)
Equipment and Vehicles	(871,155)	(185,345)	-	-	(1,056,500)
Total accumulated depreciation	(1,237,647)	(255,874)	-	-	(1,493,521)
Net capital assets being depreciated	3,855,648	(255,874)	-	-	3,599,774
Business-type activity capital assets, net	$ 3,855,648	$ (255,874)	$ -	$ -	$ 3,599,774

A. *Capital Asset Contributions*

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

B. *Depreciation Allocation*

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

Governmental Activities:	
General government	$ 327,251
Public works	2,982,535
Recreation	247,528
Community development	9,817
Public safety	293,310
Internal service funds	321,177
Total	$ 4,181,618
Business-type Activities:	
Integrated Waste Management	$ 255,874

6. NOTE PAYABLE – TAX ANTICIPATION NOTES

On July 11, 2018, the City issued Series 2018-19 Tax and Revenue Anticipation Notes in the amount of $6,000,000. The proceeds from the Notes were used to provide funds to meet the City's cash flow needs for its fiscal year ended June 30, 2019. Principal and accrued interest on the Notes are payable when the Notes mature on July 09, 2019. The Notes bear an interest rate of 2.25%. The liability is due within one year and is recorded in the General Fund.

7. LONG-TERM DEBT

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

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

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year	Due in More Than One Year
Governmental Activities:						
Lease Revenue Bonds:						
2012 Lease Revenue Bonds	$ 879,100	$ -	$ (343,500)	$ 535,600	$ 350,400	$ 185,200
2017 Lease Revenue Bonds	7,040,000	-	(280,000)	6,760,000	285,000	6,475,000
2017 Sales Tax Revenue Refunding	8,335,000	-	(325,000)	8,010,000	330,000	7,680,000
Master Equipment Lease(51.74%)	189,416	-	(125,716)	63,700	63,700	-
Solar Photovoltaic Capital Lease	1,084,296	-	(101,346)	982,950	104,153	878,797
Vehicles leases	-	116,121	(25,157)	90,964	21,049	69,915
Original issue premium	1,691,873	-	(5,278)	1,686,595	-	1,686,595
Total Governmental Activity Debt	$ 19,219,685	$ 116,121	$(1,205,997)	$ 18,129,809	$ 1,154,302	$ 16,975,507

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2018	Due Within One Year	Due in More Than One Year
Business-Type Activity Debt						
2012 Recycling Facility Revenue Refunding Bonds	$ 2,096,200	$ -	$ (258,000)	$ 1,838,200	$ 264,400	$ 1,573,800
Master Equipment Lease(48.26%)	176,676	-	(117,261)	59,415	59,415	-
2018 Trash Truck Lease	551,498	-	(72,175)	479,323	74,274	405,049
Total Business-Type Activity Debt	$ 2,824,374	$ -	$ (447,436)	$ 2,376,938	$ 398,089	$ 1,978,849

7. LONG-TERM DEBT, Continued

A. *2012 Lease Revenue Refunding Bonds*

On September 26, 2012, the El Cerrito Public Financing Authority issued Lease Revenue Refunding Bonds, Series 2012, in the original principal amount of $2,516,500 at 1.960% interest to provide for the refunding of the City's outstanding 2002 Swim Center Lease Revenue Bonds. Principal payments are due annually on September 1, with interest payments payable semi-annually on March 1 and September 1 through September 1, 2020. Parcel tax revenues are pledged for the repayment of these Bonds, until the Bonds mature. If parcel tax revenues are insufficient to pay the annual principal and interest payments on the bonds the City has covenanted to use General Fund revenues. For fiscal year 2018, Measure A Parcel Tax revenues amounted to $654,469 which represented coverage of 181% over the debt service of $361,370.

B. *2017 Lease Revenue Refunding Bonds*

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

The outstanding principal balance and bond premium of the Revenue Bonds was $7,321,849 as of June 30, 2019.

C. *2017 Sales Tax Revenue Bonds*

On January 25, 2017, the City of El Cerrito issued $8,650,000 original principal amount of 2017 Sales Tax Revenue Bonds at 2%-5% interest to provide for the refunding of the City’s outstanding 2008 Sales Tax Revenue Bonds. Principal payments are due annually on May 1, with interest payments payable semi-annually on May 1 and November 1 through May 1, 2036. Street improvement sales tax revenues are pledged for the repayment of these Bonds, until the Bonds mature. If sales tax revenues are insufficient to pay the annual principal and interest payments on the bonds the City has covenanted to use General Fund revenues. For fiscal year 2017, pledged sales tax revenues amounted to 1,428,094. No debt service was due on the 2017 sales tax revenue bonds during the fiscal year. The outstanding balance of the refunded 2008 Sales Tax Refunding Revenue Bonds as of June 30, 2017 was $9,450,000. The economic gain on refunding was $525,000, and the refunding resulting in the recognition of an accounting deferred loss on refunding of $514,127.

The outstanding principal balance and bond premium of the Revenue Bonds was $9,134,754 as of June 30, 2019.

7. LONG-TERM DEBT, Continued

D. 2012 Recycling Facility Revenue Refunding Bonds

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

E. Capital Leases

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

On July 25, 2012, the City entered into a Master Equipment Lease refunding agreement in the amount of $1,628,172 at 1.78% with JP Morgan Chase to refund and retire five prior lease agreements for the purchase of two fire trucks and apparatus, two recycling trucks, 10,000 64 gallon recycling carts, and a recycling truck. Semiannual principal and interest payments of $124,210 are due each December and June 1 through June 1, 2019.

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

F. Debt Service Requirements

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

Year Ending June 30,	Governmental Activities Principal	Governmental Activities Interest	Business-Type Activities Principal	Business-Type Activities Interest
2020	$ 1,154,302	$ 705,722	$ 398,089	$ 56,106
2021	949,376	680,782	347,234	46,936
2022	783,286	655,808	356,056	38,072
2023	807,537	628,556	365,144	28,983
2024	816,176	597,359	374,497	19,659
2025-2029	4,432,537	3,419,675	535,918	11,482
2030-2034	5,105,000	1,289,560	-	-
2035-2036	2,395,000	160,633	-	-
Subtotal	16,443,214	8,138,096	2,376,938	201,238
Unamortized original issue premium	1,686,595		-	
Total	$ 18,129,809	$ 8,138,096	$ 2,376,938	$ 201,238

8. COMPENSATED ABSENCES

The changes in compensated absences were as follows:

	Governmental Activities	Business Type Activities	Total
Beginning Balance - July 1, 2018	$ 1,874,601	$ 75,186	$ 1,949,787
Additions	1,409,036	49,261	1,458,297
Payments	1,257,107	53,953	1,311,060
Ending Balance - June 30, 2019	$ 2,026,530	$ 70,494	$ 2,097,024
Due within one year	$ 1,317,245	$ 45,821	$ 1,363,066
Due in more than one year	$ 709,285	$ 24,673	$ 733,958

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

9. PENSION PLANS

A. *General Information about the Pension Plans*

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

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

9. PENSION PLANS, Continued

A. General Information about the Pension Plans, Continued

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous-Classic	Miscellaneous-PEPRA
Hire Date	Prior to July 1, 2012	On or after July 1, 2012
Benefit Formula	2.7%@55	2%@62
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of annual salary	2.00%-2.70%	1.00%-2.50%
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	12.212%	6.842%

	Safety -Classic	Safety -PEPRA
Hire Date	On or after January 1, 2013	On or after January 1, 2013
Benefit Formula	3%@50	2.7%@57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of annual salary	3%	2.00%-2.70%
Required employee contribution rates	9.000%	11.500%
Required employer contribution rates	20.556%	12.141%

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

The City’s contribution to the Plan for the measurement period ended June 30, 2018 was $5,707,962.

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

As of June 30, 2019, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of $61,856,499.

9. PENSION PLANS, Continued

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

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2017 and 2018 was as follows:

Proportion - June 30, 2017	0.622906%
Proportion - June 30, 2018	0.641910%
Change - Increase (Decrease)	0.019004%

For the year ended June 30, 2019, the City recognized pension expense of $10,142,826. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 6,353,342	$ -
Differences between actual and expected experience	1,404,464	7,097
Changes in assumptions	6,367,346	1,094,778
Net differences between projected and actual earnings on plan investments	384,513	-
Change in employer's proportion	129,650	1,436,985
Differences between actual contributions and proportionate share of contributions	719,917	-
Total	$ 15,359,232	$ 2,538,860

$6,353,342 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	
2020	$ 5,750,736
2021	3,201,030
2022	(2,017,476)
2023	(467,260)

9. PENSION PLANS, Continued

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

Actuarial Assumptions- The total pension liability in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return (1)	7.15%
Mortality (2)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter

(1) Net of pension plan investment expenses.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality, and retirement rates. Further details of the Experience Study can found on the CalPERS website.

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

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

9. PENSION PLANS, Continued

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

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

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

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

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

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

1% Decrease		6.15%
Net Pension Liability	$	88,274,284
Current Discount Rate		7.15%
Net Pension Liability	$	61,856,499
1% Increase		8.15%
Net Pension Liability	$	40,164,857

9. PENSION PLANS, Continued

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

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

Payables to the Pension Plan

At June 30, 2019, the City reported no payables for outstanding amounts of contributions for either the CalPERS Miscellaneous Cost Sharing Multiple-Employer Plan or the CalPERS Safety Cost Sharing Multiple-Employer Plan.

10. OTHER POST EMPLOYMENT BENEFITS

A. Plan Descriptions

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

B. Employees Covered

As of June 30, 2018, the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	41
Inactive entitled to but not yet receiving benefits	-
Active employees	146
Total	187

C. Contributions

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

10. OTHER POST EMPLOYMENT BENEFITS, Continued

D. *Net OPEB Liability*

The City's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date.

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.87%
Inflation	2.75% annually
Salary Increases	3% - Aggregated
Mortality, Retirement, Disability, Termination (1)	CalPERS 1997-2015 Experience Study
Mortality Improvement	Post-retirement mortality : projected fully generational with Scale MP-2017
Healthcare cost trend rates:	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years
	Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years

E. *Discount Rate*

The discount rate used to measure the total OPEB liability was 3.87%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as of the valuation date.

F. *Changes in the Total OPEB Liability*

	Total OPEB Liability
Balance at June 30, 2018	$ 2,845,887
Changes in the year:	
Service cost	227,104
Interest on the total pension liability	108,071
Changes in assumptions	(78,032)
Benefit payments	(108,491)
Net changes	148,652
Balance at June 30, 2019	$ 2,994,539

10. OTHER POST EMPLOYMENT BENEFITS, Continued

F. Changes in the Total OPEB Liability, Continued

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

1% Decrease - 2.87%		
Total OPEB liability	$	3,273,909
Current Discount Rate - 3.87%		
Total OPEB liability	$	2,994,539
1% Increase - 4.87%		
Total OPEB liability	$	2,743,005

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

1% Decrease		
Total OPEB liability	$	2,634,629
Current Healthcare Trend Rate		
Total OPEB liability	$	2,994,539
1% Increase		
Total OPEB liability	$	3,422,218

G. Recognition of Deferred Outflows and Deferred Inflows of Resources

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

All amounts	Expected average remaining service lifetime (EARSL) (9.8 years at June 30, 2018)

10. OTHER POST EMPLOYMENT BENEFITS, Continued

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

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of $307,465. For the fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 123,492	$ -
Changes in assumptions	-	224,102
Total	$ 123,492	$ 224,102

The $123,492 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of Resources
2020	(27,710)
2021	(27,710)
2022	(27,710)
2023	(27,710)
2024	(27,710)
Thereafter	(85,552)

11. SOCIAL SECURITY

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

The City's non-sworn full-time employees and part-time, seasonal, and temporary employees that do not participate in the Public Agency Retirement Services program (PARS) are covered under Social Security, which requires these employees and the City to each contribute 6.2% of the employees' pay. Total contributions to Social Security during the year ended June 30, 2019 amounted to $824,955, of which the City paid $412,471.

12. RISK MANAGEMENT

A. *Municipal Pooling Authority (MPA)*

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

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

* $100,000 minimum deductible per occurrence, except Zone A & V, which are subject to a $250,000 deductible per occurrence

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

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

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

B. *Equipment*

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

C. *Liability for Uninsured Claims*

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

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

12. RISK MANAGEMENT, Continued

C. *Liability for Uninsured Claims, Continued*

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

	2019	2018	2017
Beginning Balance - July 1	$ 21,402	$ 13,827	$ 375,006
Change in provision for prior fiscal year claims	22,858	25,231	(276,608)
Claims paid	(8,095)	(17,656)	(84,571)
Ending Balance - June 30	$ 36,165	$ 21,402	$ 13,827
Due within one year	$ 14,571	$ 8,623	$ 5,571
Due in more than one year	$ 21,594	$ 12,779	$ 8,256

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

13. CERRITO THEATER LEASE

In July 2009, the former Redevelopment Agency executed a five year lease with Pleasantown Motion Picture Company LLC. (tenant) for the Cerrito Theater. In March 2011, the former Redevelopment Agency conveyed ownership of the Theater to the Corporation, subject to the landlord rights and responsibilities under the lease, with a covenant that the Corporation will continue to operate the Theater as a movie theater and restaurant. Under the terms of the lease, the ownership of the Theater and property remains with the landlord at the end of the lease term, therefore, the lease is considered an operating lease. In January 2014, the lease was extended until July 2019.

The tenant is obligated to remit monthly base rent of $4,000 starting in March 2010, increased each year as specified in the lease. In addition, the tenant is to pay the property tax and assessments, certain maintenance expenses as defined in the lease, and a percentage of rent of 5 percent of calendar year gross receipts from the Theater and restaurant in excess of $960,000, as adjusted for increases in the Consumer Price Index. The City collected $67,973 during fiscal year 2017-18. In fiscal year 2019, the Cerrito Theater was disposed with the parcel land held for redevelopment.

14. COMMITMENTS AND CONTINGENCIES

A. *Litigation*

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

B. *Repayment of Excess Sales Tax Allocations to the State and State Demand*

The State Board of Equalization (BOE) completed two separate reviews related to the allocation of sales taxes between the City of El Cerrito and the City of Richmond for one commercial property that borders both cities. The review dates back to fiscal year 2006.

14. COMMITMENTS AND CONTINGENCIES, Continued

B. Repayment of Excess Sales Tax Allocations to the State and State Demand, Continued

In April 2013, the BOE found that the Street Improvement district tax revenues had been over allocated by $292,357 from fiscal year 2009 through 2013, and the June 2013 remittance was reduced in that amount.

In October 2013, the BOE found that the City's historical sales tax revenues had been over allocated by $2,499,975 and would withhold that amount from the December 2013 remittance. This finding did not include any adjustments for the sales tax sharing agreement the City has with the City of Richmond and payments that had been made by the City under that agreement in the current and prior fiscal years. The City had requested documentation from the BOE to support its calculation and obtained an extension to April 30, 2014 for the opportunity to appeal the decision while management reviews BOB's methodology and calculations. The BOE did not withhold the amount from the December remittance, pending the City's review and potential appeal.

In October 2014, the BOE rescinded the demand letters and agreed to implement the sales tax sharing agreement between the cities with regard to sales taxes. The BOE indicated that it will not implement an agreement regarding district taxes, so the cities are preparing a separate agreement to address maintaining the 70% - 30% split of district taxes after the BOE begins administering the sales tax sharing agreement.

The City recalculated the historical actual allocations of sales and district taxes for the commercial property to each City for fiscal years 2006 to 2014 and the sales tax sharing payments during that period and determined that the City owed the City of Richmond $1,291,582. The BOE and the City of Richmond agreed that the City will repay the amount due from future sales tax revenues, and $233,436 was paid during fiscal year 2018. The City has fully paid off the amount due to City of Richmond in fiscal year 2018.

C. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2019 were: $342,481in the General Fund, $507,826 in the Capital Improvements Fund and $471,686 in the Nonmajor Governmental Funds.

D. Federal and State Grant Programs

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

15. COOPERATION AGREEMENT BETWEEN REDEVELOPMENT AGENCY AND MUNICIPAL SERVICES CORPORATION

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

16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. *Redevelopment Dissolution*

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities as of that date and dissolved redevelopment agencies effective February 1, 2012.

In addition, ABx1 26 and AB1484 direct the State Controller to review the activities all redevelopment agencies and successor agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller's Office completed its asset transfer review of the former Agency and released its final report in July 2014. The final report indicates the former Redevelopment Agency made unallowable transfers to the Municipal Services Corporation in fiscal years 2011 and 2012 totaling $12,550,551, consisting of cash of $2,382,232, land held for redevelopment of $4,634,789 and capital assets of $5,533,530. The City, Successor Agency and Corporation disagree with the funding of the asset transfer review and maintain that the transactions in question between the former El Cerrito Redevelopment Agency and the Municipal Services Corporation were valid. Therefore, the amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time.

Effective February 1, 2012, the Redevelopment Agency was dissolved. Certain housing assets of the Redevelopment Agency were distributed to the City acting as the housing successor. All remaining Redevelopment Agency assets and liabilities were distributed to the successor agency.

The activities of the Successor Agency are reported in the El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

A. *Redevelopment Dissolution, Continued*

Cash and investments of the Successor Agency as of June 30, 2019 are discussed in Note 2. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2019.

B. *Long-term Obligations*

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

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

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year	Due in More Than One Year
Tax Allocation Bonds:						
2016 Refunding Bonds - Tax Exempt	$ 9,069,710	$ -	$ -	$ 9,069,710	$ -	$ 9,069,710
2016 Refunding Bonds - Non Exempt	3,261,000	-	-	3,261,000	1,559,000	1,702,000
Valente Notes Payable	1,384,457	-	(1,384,457)	-	-	-
Total Bonds and Notes Payable	13,715,167	-	(1,384,457)	12,330,710	1,559,000	10,771,710
Housing Successor Loans:						
SERAF	417,275	-	(250,000)	167,275	167,275	-
Total Long-Term Obligations	$ 14,132,442	$ -	$(1,634,457)	$ 12,497,985	$1,726,275	$ 10,771,710

16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

B. Long-term Obligations, Continued

2016 Refunding Tax Allocation Bonds

On August 3, 2016, the Successor Agency to the El Cerrito Redevelopment Agency issued Series 2016 Tax Allocation Refunding Bonds in the amount of $12,330,710. The proceeds from the bonds were used to refund the Series 1997A Tax Allocation Refunding Bonds and Series 2004 A and B Tax Allocation Bonds. Bonds issued in the amount of $9,069,710 are tax-exempt, and the remaining $3,261,000 are nonexempt.

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

Valente Note Payable

The Agency purchased land in March 2009 and agreed to pay the owner out of tax increment revenues, signing a note in the amount of $2,667,000. Interest on the note is 6.75% and the Agency will make annual principal and interest payments in the amount of $288,215 for 15 years. The Note was forgiven in fiscal year 2019 as part of the sale of land held for redevelopment.

Installment Plan Agreement

In September 2015, the City, Successor Agency, and California Department of Finance entered into an Installment Payment Plan Agreement for the repayment of the OFA DDR amounting to $1,981,989.

SERAF Loan from Housing Successor

During the fiscal year ending June 30, 2010, the Agency approved an interfund advance authorizing the Redevelopment Capital Projects Fund to borrow $1,767,418 from the Low and Moderate Income Housing Fund to assist in making the Agency's 2009-10 contribution to the Supplemental Educational Revenue Augmentation Fund (SERAF). This loan does not bear interest and in repayable in five equal annual installments. The balance of the loan at June 30, 2019 was $167,275.

The above loan had previously been reported as an interfund advance within the Redevelopment Agency, but with the transfer of the Redevelopment Agency's liabilities to the Successor Agency, the advance is now reported as long-term debt of the Successor Agency. The loan was originally required to be repaid by the dates noted above, however repayment is now subject to the provisions of Health and Safety Code Section 34176 and under the provisions of that Code Section were not to begin prior to fiscal year 2014.

Debt service requirements are shown below for all long-term debt except the Housing Successor loans, because the timing of repayment of the Housing Successor loans cannot be determined at this time as discussed above.

16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

B. *Long-term Obligations, Continued*

Debt Service Requirements

Year Ending June 30,	Principal	Interest
2020	$ 1,559,000	$ 321,352
2021	1,791,984	268,640
2022	1,909,309	213,485
2023	1,957,533	165,261
2024	997,230	115,818
2025-2027	4,115,654	78,282
Total	$ 12,330,710	$ 1,162,838

C. *Commitments and Contingencies*

State Approval of Enforceable Obligations

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

State Asset Transfer Review

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. In addition, the State Controller's Office conducted a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011. The State Controller's Office completed its asset transfer review of the former Agency and released its final report in July 2014. The final report indicates the former Redevelopment Agency made unallowable transfers to the Municipal Services Corporation in fiscal years 2011 and 2012 totaling $12,550,551, consisting of cash of $2,382,232, land held for redevelopment of $4,634,789 and capital assets of $5,533,530. These transfers were also deemed unallowable by the Department of Finance, disputed by the City, Successor Agency and Corporation, and subject to litigation as discussed in (4) below. Therefore, the amount, if any of assets that may be required to be returned to the Successor Agency cannot be determined at this time. In fiscal year 2019, Consistent with the approved Long Range Property Management Plan (LRPMP), the City entered into a Compensation Agreement with each of the Affected Taxing Entities as required by the LRPMP. Per the Compensation Agreement the City sold the Mayfair block and Eastshore block of properties for development, at Fair Market Value or Fair Reuse Value.

16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

C. Commitments and Contingencies, Continued

The net proceeds were distributed by the Auditor-Controller to the Taxing Entities in proportion to their shares of the Base Property Tax less any outstanding amount of enforceable obligation related to the properties. Current book value of the land held for resale is $1,005,010.

Due Diligence Reviews

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

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

In June 2013, the DOF completed its review of the DDR of all other funds of the former Redevelopment Agency. The DDR indicated there were no assets available for allocation to the affected taxing entities, but that amount was adjusted by the DOF to $1,981,989. In addition, the DOF demanded the City reverse $10,168,319 of property conveyances executed in fiscal year 2012 and a payment of $400,243 of bond proceeds to the Corporation. The City, Successor Agency and Corporation dispute the adjustments and demand.

The City and Successor Agency have filed suit against the DOF and the Contra Costa County Auditor-Controller challenging the DOF's adjustments to the DDR and other demands. On September 3, 2014, the Court ruled against the City, Successor Agency and Corporation regarding the transfers and the cooperation agreement. The City, Successor Agency and Corporation plan to appeal the decision. The amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time.

In September 2015, the City, Successor Agency, and DOF entered into an Installment Payment Plan Agreement for the repayment of the OFA DDR amounting to $1,981,989. The payment dates are tied to the dates that funds are disbursed from the RPTTF pursuant to the Dissolution Statutes. The payment amount for fiscal year 2017-2018 is $435,663. If the City and Successor Agency are successful on their appeal, which the City and Successor Agency will continue to pursue, and the DOF's determination is reduced or overturned, the City will be able to recover any funds paid as a part of the proposed Installment Payment Plan.

Litigation regarding transfers of funds and property of the former Redevelopment Agency continues to be outstanding. The City, the Municipal Services Corporation and the Successor Agency were not successful at the trial court and appealed the trial court judgment to the Court of Appeals. The case has been fully briefed and is awaiting oral argument at the court of appeal.

17. NET POSITION AND FUND BALANCES

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

A. *Fund Deficits*

The following funds had fund balance or net position deficits as of June 30, 2019:

Fund	Amount
General Fund	(56,692)
Capital Improvement Fund	(200,819)
Gas Tax Fund	(113,224)
Federal, State and Local Grants Fund	(8,212)
Successor Agency Private Purpose Trust Fund	(13,921,120)

The Capital Improvement Fund deficit fund balance has improved significantly from a deficit of $1,280,625 in the prior fiscal year to $200,818 in FY 2019, partly due to transfers from the General Fund in FY2019. It is expected that it will be totally eliminated in FY2020. The Gas Tax fund deficit too will be eliminated by future gas tax revenue but in the meantime, expenditures are being closely monitored. The Successor Agency Private Purpose Trust Fund will be eliminated by RPTTF revenue over the years of the life of the existing bonds. The City is committed to taking steps to restore a positive General Fund balance through the upcoming biennial budget cycle and to achieve this by FY 2021.

18. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following major funds had expenditures in excess of appropriated budget:

Major Fund	Budget	Actual	Excess
General Fund	37,302,638	40,202,753	2,900,115
Municipal Services Corporation Fund	-	1,249	1,249
Gas Tax	535,450	544,948	9,498
Asset Seizure Fund	-	511	511
Public Art Fund	6,000	7,984	1,984
Capital Improvement Fund	1,408,755	3,609,388	2,200,633

The excess expenditures in the General fund were primarily due to over expenditure in Public Safety overtime and costs associated with backfilling vacancies with part time resources and professional, legal and technical services. The excess expenditure in the Capital Improvement Fund was mainly due to the Ohlone-BART station access project which was completed within an accelerated time frame and was fully reimbursed by the State, although the budget did not reflect it at the time. Despite this the CIP fund balance improved substantially over the prior year.

19. UNAVAILABLE REVENUE

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

Description	Unavailable Interest Revenue	Unavailable Other Revenue	Total Balance June 30, 2019
Governmental Funds:			
General Fund	$ -	$ 116,319	$ 116,319
Low/Moderate Income Housing Asset Fund	1,014,736	-	1,014,736
Non-major Governmental Fund	-	80,000	80,000
Total governmental funds	$ 1,014,736	$ 196,319	$ 1,211,055

20. GOING CONCERN

The accompanying financial statements have been prepared assuming the City will continue as a going concern. The City's unassigned fund balance in the General Fund was a deficit of $1,707,620 which represents a $525,887 improvement over the unassigned balance of the prior fiscal year. The ability of the City to continue as a going concern and meet required operating obligations is dependent on the City's ability to develop and implement a plan that will successfully increase cash flows. The financial statements do not include any adjustments that might be necessary to continue as a going concern.

The City was successful in passing a Real Property Transfer Tax measure in November 2018 that has is expected to generate about $2.7 million cash annually. Additionally, in FY18 the City had already begun receiving about $0.3 million in cash from its share of sales taxes from the City of Richmond, for sales at Home depot. These two sources combined are expected to generate a steady $3.0 million in additional General Fund cash annually.

Besides these sources of additional cash flow, several large development/building projects have been permitted recently. These too are expected to generate large one-time fees and ongoing property taxes on completion that will benefit the General Fund for years to come. The City will be taking steps to restore a positive fund balance position through the upcoming biennial budget cycle and expects to successfully achieve this by FY 2021.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of El Cerrito
Notes to Required Supplementary Information
For the year ended June 30, 2019

1. BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Control and Budgetary Accounting

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

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

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

City of El Cerrito
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property taxes	$ 10,068,000	$ 10,068,000	$ 10,182,035	$ 114,035
Taxes other than property	15,912,000	16,512,000	16,812,948	300,948
Licenses and permits	875,000	875,000	775,876	(99,124)
Fines and penalties	310,000	310,000	218,684	(91,316)
Use of money and property	103,000	103,000	157,264	54,264
Intergovernmental revenues	3,651,000	3,801,000	4,091,055	290,055
Charges for services	6,709,700	6,709,700	6,933,840	224,140
Other revenues	82,000	82,000	182,030	100,030
Total revenues	37,710,700	38,460,700	39,353,732	893,032
EXPENDITURES:				
General Government:				
City council	95,545	95,545	195,465	(99,920)
City manager	1,139,694	1,139,694	1,345,679	(205,985)
City attorney	300,000	300,000	519,482	(219,482)
Financial services	1,487,139	1,492,253	1,530,765	(38,512)
City clerk	397,818	399,079	346,335	52,744
Information systems	854,538	854,538	848,768	5,770
Employee services	1,169,082	1,169,082	1,148,462	20,620
Public works	1,840,883	1,847,397	1,967,260	(119,863)
Recreation	5,399,359	5,393,176	5,794,027	(400,851)
Community development	2,269,021	2,284,615	2,522,098	(237,483)
Public safety:				
Police	11,842,040	11,842,040	12,121,461	(279,421)
Fire	10,006,212	10,156,212	11,257,758	(1,101,546)
Capital outlay	165,000	172,775	344,253	(171,478)
Debt service:				
Principal	101,346	126,504	126,504	-
Interest and fiscal charges	29,126	29,728	134,436	(104,708)
Total expenditures	37,096,803	37,302,638	40,202,753	(2,900,115)
REVENUES OVER (UNDER) EXPENDITURES	613,897	1,158,062	(849,021)	(2,007,083)
OTHER FINANCING SOURCES (USES):				
Transfers in	54,671	54,671	1,117,990	1,063,319
Transfers (out)	(607,522)	(1,289,473)	(1,330,107)	(40,634)
Capital lease financing	-	-	116,121	116,121
Total other financing sources (uses)	(552,851)	(1,234,802)	(95,996)	1,138,806
SPECIAL ITEMS				
Proceeds of sale of land from Contra Costa County	-	681,951	800,755	118,804
Total special items	-		800,755	118,804
Net change in fund balance	61,046	605,211	(144,262)	(749,473)
FUND BALANCE:				
Beginning of year	87,570	87,570	87,570	-
End of year	$ 148,616	$ 692,781	$ (56,692)	$ (749,473)

City of El Cerrito

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

Low/Mod Income Housing Asset Special Revenue Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Use of money and property	$ -	$ -	$ 74,829	$ 74,829
Other revenues	160,000	160,000	-	(160,000)
Total revenues	160,000	160,000	74,829	(85,171)
EXPENDITURES:				
Community development	191,500	191,500	10,677	180,823
Total expenditures	191,500	191,500	10,677	180,823
REVENUES OVER (UNDER) EXPENDITURES	(31,500)	(31,500)	64,152	95,652
Net change in fund balance	(31,500)	(31,500)	64,152	95,652
FUND BALANCE:				
Beginning of year	5,067,590	5,067,590	5,067,590	-
End of year	$ 5,036,090	$ 5,036,090	$ 5,131,742	$ 95,652

City of El Cerrito

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

City Housing Special Revenue Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
OTHER FINANCING SOURCES (USES):				
Transfers in	$ -	$ -	$ 250,352	$ 250,352
Total other financing sources (uses)	-	-	250,352	250,352
Net change in fund balance	-	-	250,352	250,352
FUND BALANCE:				
Beginning of year	2,584,648	2,584,648	2,584,648	-
End of year	$ 2,584,648	$ 2,584,648	$ 2,835,000	$ 250,352

2. DEFINED BENEFIT PENSION PLAN

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

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

Notes to Schedule:

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

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

Fiscal year	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution (actuarially determined)	$ 6,351,717	$ 5,707,962	$ 5,112,607	$ 4,587,279	$ 601,837
Contribution in relation to the actuarially determined contributions	(6,353,342)	(5,707,962)	(5,112,607)	(4,587,279)	(601,837)
Contribution deficiency (excess)	$ (1,625)	$ -	$ -	$ -	$ -
Covered payroll	$ 17,236,142	$ 16,978,389	$ 15,809,206	$ 14,674,532	$ 14,363,735
Contributions as a percentage of covered payroll	36.86%	33.62%	32.34%	31.26%	4.19%

Note to Schedule

Valuation date:**	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

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

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

3. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. *Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios for the Measurement Periods Ended June 30*[1]

Measurement Period	2018	2017
Total OPEB Liability		
Service Cost	$ 227,104	$ 249,017
Interest on the total OPEB liability	108,071	85,412
Changes in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	(78,032)	(193,528)
Benefit payments, including refunds of employee contributions	(108,491)	(85,828)
Net change in total OPEB liability	148,652	55,073
Total OPEB liability - beginning	2,845,887	2,790,814
Total OPEB liability - ending	$ 2,994,539	$ 2,845,887
Covered-employee payroll	$ 18,923,691	$ 18,173,174
Net OPEB liability as a percentage of covered-employee payroll	15.82%	15.66%

Notes to Schedule:

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

SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

DEBT SERVICE FUND

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

CAPITAL PROJECT FUNDS

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

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

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

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

City of El Cerrito
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

	Special Revenue				
	Municipal Service Corporation Special Revenue Fund	Gas Tax Fund	Landscape and Lighting Assessment Fund	Measure A Parcel Tax Fund	National Pollution Discharge Elimination System Fund
ASSETS					
Cash and investments	$ 54,252	$ -	$ 125,872	$ 385,641	$ 117,344
Cash with fiscal agents	-	-	-	-	-
Accounts receivable	652	-	9,552	-	134,251
Due from other governments	-	-	-	-	-
Land held for resale or redevelopment	1,005,010	-	-	-	-
Total assets	$ 1,059,914	$ -	$ 135,424	$ 385,641	$ 251,595
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	10,607	29,776	20,000	7,215
Accrued liability	-	13,092	10,964	-	8,423
Due to other funds	-	89,525	-	-	-
Deposits payable	11,336	-	-	-	-
Total liabilities	11,336	113,224	40,740	20,000	15,638
Deferred inflows of resources:					
Unavailable revenue - accounts receivable	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Restricted for:					
Redevelopment Projects & Programs:	1,048,578	-	-	-	-
Debt service	-	-	-	-	-
Street improvements	-	-	94,684	-	-
Transportation projects	-	-	-	-	-
Public Safety - Police	-	-	-	-	-
Public Safety - Vehicle Abatement	-	-	-	-	-
Park and Recreation	-	-	-	365,641	-
Storm drains	-	-	-	-	235,957
Public Art	-	-	-	-	-
Unassigned	-	(113,224)	-	-	-
Total fund balances	1,048,578	(113,224)	94,684	365,641	235,957
Total liabilities, deferred inflows of resources, and fund balances	$ 1,059,914	$ -	$ 135,424	$ 385,641	$ 251,595

Asset Seizure Fund	Vehicle Abatement Fund	Park In Lieu Fund	Public Art Fund	Federal, State and Local Grants Fund	Road Repair and Accountability Fund	Measure J Paratransit	Public Financing Authority Fund
Special Revenue							Debt Service
$ 379,383	$ 382,094	$ 2	$ 232,364	$ -	$ 181,264	$ 109,493	$ 8,182
-	-	-	-	-	-	-	187,460
-	-	-	-	-	81,621	239	-
-	-	-	-	130,558	80,000	-	-
-	-	-	-	-	-	-	-
$ 379,383	$ 382,094	$ 2	$ 232,364	$ 130,558	$ 342,885	$ 109,732	$ 195,642
-	-	-	-	9,363	12,286	1,403	-
-	-	-	-	-	-	3,635	-
-	-	-	-	129,407	-	-	-
60,811	-	-	-	-	-	-	-
60,811	-	-	-	138,770	12,286	5,038	-
-	-	-	-	-	80,000	-	-
-	-	-	-	-	80,000	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	195,642
-	-	-	-	-	250,599	-	-
-	-	-	-	-	-	104,694	-
318,572	-	-	-	-	-	-	-
-	382,094	-	-	-	-	-	-
-	-	2	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	232,364	-	-	-	-
-	-	-	-	(8,212)	-	-	-
318,572	382,094	2	232,364	(8,212)	250,599	104,694	195,642
$ 379,383	$ 382,094	$ 2	$ 232,364	$ 130,558	$ 342,885	$ 109,732	$ 195,642

City of El Cerrito
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

	Capital Projects				
	Capital Improvement Fund	Storm Drain Fund	Measure J Fund	Street Improvement Fund	Total Non-Major Governmental Funds
ASSETS					
Cash and investments	$ -	$ 698,986	$ -	$ 978,977	$ 3,653,854
Cash with fiscal agents	-	-	-	-	187,460
Accounts receivable	-	-	479,482	-	705,797
Due from other governments	75,000	-	-	247,078	532,636
Land held for resale or redevelopment	-	-	-	-	1,005,010
Total assets	$ 75,000	$ 698,986	$ 479,482	$ 1,226,055	$ 6,084,757
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	201,576	7,930	13,710	23,838	337,704
Accrued liabilities	-	15,925	7,881	4,870	64,790
Due to other funds	74,243	-	395,168	-	688,343
Deposits payable	-	-	-	-	72,147
Total liabilities	275,819	23,855	416,759	28,708	1,162,984
Deferred inflows of resources:					
Unavailable revenue - loans receivable	-	-	-	-	80,000
Total deferred inflows of resources	-	-	-	-	80,000
Fund Balances:					
Restricted for:					
Redevelopment Projects & Programs:	-	-	-	-	1,048,578
Debt service	-	-	-	-	195,642
Street improvements	-	-	-	1,197,347	1,542,630
Transportation projects	-	-	62,723	-	167,417
Public Safety - Police	-	-	-	-	318,572
Public Safety - Vehicle Abatement	-	-	-	-	382,094
Park and Recreation	-	-	-	-	365,643
Storm drains	-	675,131	-	-	911,088
Public Art	-	-	-	-	232,364
Unassigned	(200,819)	-	-	-	(322,255)
Total fund balances	(200,819)	675,131	62,723	1,197,347	4,841,773
Total liabilities, deferred inflows of resources, and fund balances	$ 75,000	$ 698,986	$ 479,482	$ 1,226,055	$ 6,084,757

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City of El Cerrito

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2019

	Special Revenue				
	Municipal Service Corporation Special Revenue Fund	Gas Tax Fund	Landscape and Lighting Assessment Fund	Measure A Parcel Tax Fund	National Pollution Discharge Elimination System Fund
REVENUES:					
Taxes and assessments	$ -	$ -	$ 777,656	$ 633,080	$ -
Fines and penalties	-	-	-	-	-
Use of money and property	25,054	-	-	-	-
Intergovernmental revenues	-	519,471	9,452	-	310,860
Charges for services	-	-	-	-	912
Other revenues	-	-	100	-	-
Total revenues	25,054	519,471	787,208	633,080	311,772
EXPENDITURES:					
Current:					
General Government	-	-	-	12,000	-
Public works	-	544,948	725,346	-	295,475
Recreation	-	-	93,561	3,392	-
Community development	1,249	-	-	-	-
Public safety	-	-	-	-	-
Capital outlay	-	-	-	105,815	-
Principal	-	-	-	-	-
Interest and fiscal fees	-	-	-	-	-
Total expenditures	1,249	544,948	818,907	121,207	295,475
REVENUES OVER (UNDER) EXPENDITURES	23,805	(25,477)	(31,699)	511,873	16,297
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	(411,730)	-
Total other financing sources (uses)	-	-	-	(411,730)	-
SPECIAL ITEMS:					
Land Sale Proceeds to the Contra Costa County	(3,457,547)	-	-	-	-
Land Sale Proceeds Transfers to Successor Agency Func	(1,202,453)	-	-	-	-
Gain on sale of land	1,420,347	-	-	-	-
Total special items	(3,239,653)	-	-	-	-
Net change in fund balances	(3,215,848)	(25,477)	(31,699)	100,143	16,297
FUND BALANCES:					
Beginning of year	4,264,426	(87,747)	126,383	265,498	219,660
End of year	$ 1,048,578	$ (113,224)	$ 94,684	$ 365,641	$ 235,957

Special Revenue							Debt Service
Asset Seizure Fund	Vehicle Abatement Fund	Park In Lieu Fund	Public Art Fund	Federal, State and Local Grants Fund	Road Repair and Accountability Fund	Measure J Paratransit	Public Financing Authority Fund
$ -	$ -	$ -	$ -	$ -	$ -	$ 149,738	$ -
13,614	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,464
-	75,461	-	-	341,413	457,336	-	-
-	-	-	-	-	-	9,868	-
-	-	-	4,591	-	-	-	-
13,614	75,461	-	4,591	341,413	457,336	159,606	4,464
-	-	-	-	1,663	-	-	-
-	-	-	-	-	136,627	-	-
-	-	-	-	-	-	132,960	-
-	-	-	7,984	(10,225)	-	-	-
511	-	-	-	-	-	-	-
-	-	-	-	(785)	214,017	-	-
-	-	-	-	-	-	-	948,500
-	-	-	-	-	-	-	693,027
511	-	-	7,984	(9,347)	350,644	132,960	1,641,527
13,103	75,461	-	(3,393)	350,760	106,692	26,646	(1,637,063)
-	-	-	-	-	-	-	1,645,790
-	-	-	-	(1,063,319)	-	-	-
-	-	-	-	(1,063,319)	-	-	1,645,790
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,103	75,461	-	(3,393)	(712,559)	106,692	26,646	8,727
305,469	306,633	2	235,757	704,347	143,907	78,048	186,915
$ 318,572	$ 382,094	$ 2	$ 232,364	$ (8,212)	$ 250,599	$ 104,694	$ 195,642

City of El Cerrito
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2019

	Capital Projects				
	Capital Improvement Fund	Storm Drain Fund	Measure J Fund	Street Improvement Fund	Total Non-Major Governmental Funds
REVENUES:					
Taxes and assessments	$ -	$ 701,950	$ 479,482	$ 1,630,826	$ 4,372,732
Fines and penalties	-	-	-	-	13,614
Use of money and property	-	-	-	-	29,518
Intergovernmental revenues	3,804,744	-	-	-	5,518,737
Charges for services	-	-	175	-	10,955
Other revenues	392,217	-	-	3,877	400,785
Total revenues	4,196,961	701,950	479,657	1,634,703	10,346,341
EXPENDITURES:					
Current:					
General Government	-	-	-	1,325	14,988
Public works	7,339	460,913	410,537	91,539	2,672,724
Recreation	-	-	13,066	-	242,979
Community development	-	-	-	-	(992)
Public safety	-	-	-	-	511
Capital outlay	3,602,050	83,275	53,607	631,092	4,689,071
Principal	-	-	-	-	948,500
Interest and fiscal fees	-	-	-	-	693,027
Total expenditures	3,609,389	544,188	477,210	723,956	9,260,808
REVENUES OVER (UNDER) EXPENDITURES	587,572	157,762	2,447	910,747	1,085,533
OTHER FINANCING SOURCES (USES):					
Transfers in	492,234	-	-	-	2,138,024
Transfers (out)	-	-	(20,000)	(704,400)	(2,199,449)
Total other financing sources (uses)	492,234	-	(20,000)	(704,400)	(61,425)
SPECIAL ITEMS:					
Land Sale Proceeds to the Contra Costa Cour	-	-	-	-	(3,457,547)
Land Sale Proceeds Transfers to Successor A	-	-	-	-	(1,202,453)
Gain on sale of land	-	-	-	-	1,420,347
Total special items	-	-	-	-	(3,239,653)
Net change in fund balances	1,079,806	157,762	(17,553)	206,347	(2,215,545)
FUND BALANCES (DEFICITS):					
Beginning of year	(1,280,625)	517,369	80,276	991,000	7,057,318
End of year	$ (200,819)	$ 675,131	$ 62,723	$ 1,197,347	$ 4,841,773

City of El Cerrito

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

Municipal Services Corporation Special Revenue Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Use of money and property	$ -	$ -	$ 25,054	$ 25,054
Total revenues	-	-	25,054	25,054
EXPENDITURES:				
Community development	-	-	1,249	(1,249)
Total expenditures	-	-	1,249	(1,249)
REVENUES OVER (UNDER) EXPENDITURES	-	-	23,805	23,805
SPECIAL ITEMS:				
Land Sale Proceeds to the Contra Costa County	-	-	(3,457,547)	(3,457,547)
Land Sale Proceeds Transfers to Successor Agency Fund	-	-	(1,202,453)	(1,202,453)
Gain on sale of land	-	-	1,420,347	1,420,347
Total special items	-	-	(3,239,653)	(3,239,653)
Net change in fund balance	-	-	(3,215,848)	(3,215,848)
FUND BALANCE:				
Beginning of year	4,264,426	4,264,426	4,264,426	-
End of year	$ 4,264,426	$ 4,264,426	$ 1,048,578	$ (3,215,848)

City of El Cerrito

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

Gas Tax Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 632,665	$ 632,665	$ 519,471	$ (113,194)
Total revenues	632,665	632,665	519,471	(113,194)
EXPENDITURES:				
Public works	533,835	535,450	544,948	(9,498)
Total expenditures	533,835	535,450	544,948	(9,498)
REVENUES OVER (UNDER) EXPENDITURES	98,830	97,215	(25,477)	(122,692)
Net change in fund balance	98,830	97,215	(25,477)	(122,692)
FUND BALANCE:				
Beginning of year	(87,747)	(87,747)	(87,747)	-
End of year	$ 11,083	$ 9,468	$ (113,224)	$ (122,692)

City of El Cerrito

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

Landscape and Lighting Assessment Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes other than property	$ 775,750	$ 775,750	$ 777,656	$ 1,906
Intergovernmental revenues	10,613	10,613	9,452	(1,161)
Other revenues	-	-	100	100
Total revenues	786,363	786,363	787,208	845
EXPENDITURES:				
Public works	680,627	746,692	725,346	21,346
Recreation	89,449	89,449	93,561	(4,112)
Total expenditures	770,076	836,141	818,907	17,234
REVENUES OVER (UNDER) EXPENDITURES	16,287	(49,778)	(31,699)	18,079
Net change in fund balance	16,287	(49,778)	(31,699)	18,079
FUND BALANCE:				
Beginning of year	126,383	126,383	126,383	-
End of year	$ 142,670	$ 76,605	$ 94,684	$ 18,079

City of El Cerrito

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

Measure A Parcel Tax Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes other than property	$ 646,000	$ 646,000	$ 633,080	$ (12,920)
Total revenues	646,000	646,000	633,080	(12,920)
EXPENDITURES:				
General Government:				
Financial services	15,000	15,000	12,000	3,000
Recreation	-	-	3,392	(3,392)
Capital outlay	230,000	233,216	105,815	127,401
Total expenditures	245,000	248,216	121,207	127,009
REVENUES OVER (UNDER) EXPENDITURES	401,000	397,784	511,873	114,089
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(411,730)	(411,730)	(411,730)	-
Total other financing sources (uses)	(411,730)	(411,730)	(411,730)	-
Net change in fund balance	(10,730)	(13,946)	100,143	114,089
FUND BALANCE:				
Beginning of year	265,498	265,498	265,498	-
End of year	$ 254,768	$ 251,552	$ 365,641	$ 114,089

City of El Cerrito

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

National Pollution Discharge Elimination System Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 319,300	$ 319,300	$ 310,860	$ (8,440)
Charges for services	-	-	912	912
Total revenues	319,300	319,300	311,772	(7,528)
EXPENDITURES:				
Public works	352,493	353,368	295,475	57,893
Total expenditures	352,493	353,368	295,475	57,893
REVENUES OVER (UNDER) EXPENDITURES	(33,193)	(34,068)	16,297	50,365
Net change in fund balance	(33,193)	(34,068)	16,297	50,365
FUND BALANCE:				
Beginning of year	219,660	219,660	219,660	-
End of year	$ 186,467	$ 185,592	$ 235,957	$ 50,365

City of El Cerrito

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

Asset Seizure Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines and penalties	$ -	$ -	$ 13,614	$ 13,614
Total revenues	-	-	13,614	13,614
EXPENDITURES:				
Public safety:				
Police	-	-	511	(511)
Total expenditures	-	-	511	(511)
REVENUES OVER (UNDER) EXPENDITURES	-	-	13,103	13,103
Net change in fund balance	-	-	13,103	13,103
FUND BALANCE:				
Beginning of year	305,469	305,469	305,469	-
End of year	$ 305,469	$ 305,469	$ 318,572	$ 13,103

City of El Cerrito

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

Vehicle Abatement Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 30,000	$ 30,000	$ 75,461	$ 45,461
Total revenues	30,000	30,000	75,461	45,461
Net change in fund balance	30,000	30,000	75,461	45,461
FUND BALANCE:				
Beginning of year	306,633	306,633	306,633	-
End of year	$ 336,633	$ 336,633	$ 382,094	$ 45,461

City of El Cerrito

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

Park In Lieu Fund

For the year ended June 30, 2019

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Other revenues	$ 50,000	$ 50,000	$ -	$ (50,000)
Total revenues	50,000	50,000	-	(50,000)
Net change in fund balance	-	-	-	-
FUND BALANCE:				
Beginning of year	2	2	2	-
End of year	$ 2	$ 2	$ 2	$ -

City of El Cerrito
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Public Art Fund
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Other revenues	$ -	$ -	$ 4,591	$ 4,591
Total revenues	-	-	4,591	4,591
EXPENDITURES:				
Community development	6,000	6,000	7,984	(1,984)
Total expenditures	6,000	6,000	7,984	(1,984)
REVENUES OVER (UNDER) EXPENDITURES	(6,000)	(6,000)	(3,393)	2,607
Net change in fund balance	(6,000)	(6,000)	(3,393)	2,607
FUND BALANCE:				
Beginning of year	235,757	235,757	235,757	-
End of year	$ 229,757	$ 229,757	$ 232,364	$ 2,607

City of El Cerrito

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

Federal, State and Local Grants Fund

For the year ended June 30, 2019

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental revenues	$ 180,000	$ 180,000	$ 341,413	$ 161,413
Total revenues	180,000	180,000	341,413	161,413
EXPENDITURES:				
General Government:				
City manager	-	-	1,663	(1,663)
Community development	50,000	50,000	(10,225)	60,225
Public safety:				
Police	30,000	30,000	-	30,000
Capital outlay	-	-	(785)	785
Total expenditures	80,000	80,000	(9,347)	89,347
REVENUES OVER (UNDER) EXPENDITURES	100,000	100,000	350,760	250,760
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	-	(1,063,319)	(1,063,319)
Total other financing sources (uses)	-	-	(1,063,319)	(1,063,319)
Net change in fund balance	100,000	100,000	(712,559)	(812,559)
FUND BALANCE:				
Beginning of year	704,347	704,347	704,347	-
End of year	$ 804,347	$ 804,347	$ (8,212)	$ (812,559)

City of El Cerrito

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

Road Repair and Accountability

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental revenues	$ 405,000	$ 405,000	$ 457,336	$ 52,336
Total revenues	405,000	405,000	457,336	52,336
EXPENDITURES:				
Public works	-	180,000	136,627	43,373
Capital outlay	735,000	555,000	214,017	340,983
Total expenditures	735,000	735,000	350,644	384,356
REVENUES OVER (UNDER) EXPENDITURES	(330,000)	(330,000)	106,692	436,692
Net change in fund balance	(330,000)	(330,000)	106,692	436,692
FUND BALANCE:				
Beginning of year	143,907	143,907	143,907	-
End of year	$ (186,093)	$ (186,093)	$ 250,599	$ 436,692

City of El Cerrito

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

Measure J Paratransit

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes other than property	$ 149,893	$ 149,893	$ 149,738	$ (155)
Charges for services	15,300	15,300	9,868	(5,432)
Total revenues	165,193	165,193	159,606	(5,587)
EXPENDITURES:				
Recreation	232,097	232,097	132,960	99,137
Total expenditures	232,097	232,097	132,960	99,137
REVENUES OVER (UNDER) EXPENDITURES	(66,904)	(66,904)	26,646	93,550
Net change in fund balance	(66,904)	(66,904)	26,646	93,550
FUND BALANCE:				
Beginning of year	78,048	78,048	78,048	-
End of year	$ 11,144	$ 11,144	$ 104,694	$ 93,550

City of El Cerrito

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

Public Financing Authority Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Use of money and property	$ 103	$ 103	$ 4,464	$ 4,361
Total revenues	103	103	4,464	4,361
EXPENDITURES:				
Debt service:				
Principal	948,500	948,500	948,500	-
Interest and fiscal charges	693,027	693,027	693,027	-
Bond issuance	1,000	1,000	-	1,000
Total expenditures	1,642,527	1,642,527	1,641,527	1,000
REVENUES OVER (UNDER) EXPENDITURES	(1,642,424)	(1,642,424)	(1,637,063)	5,361
OTHER FINANCING SOURCES (USES):				
Transfers in	1,645,790	1,645,790	1,645,790	-
Total other financing sources (uses)	1,645,790	1,645,790	1,645,790	-
Net change in fund balance	3,366	3,366	8,727	5,361
FUND BALANCE:				
Beginning of year	186,915	186,915	186,915	-
End of year	$ 190,281	$ 190,281	$ 195,642	$ 5,361

City of El Cerrito
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Improvement Fund
For the year ended June 30, 2019

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental revenues	$ 690,000	$ 690,000	$ 3,804,744	$ 3,114,744
Other revenues	115,000	115,000	392,217	277,217
Total revenues	805,000	805,000	4,196,961	3,391,961
EXPENDITURES:				
Public works	22,663	22,663	7,339	15,324
Capital outlay	1,005,500	1,386,092	3,602,050	(2,215,958)
Total expenditures	1,028,163	1,408,755	3,609,389	(2,200,634)
REVENUES OVER (UNDER) EXPENDITURES	(223,163)	(603,755)	587,572	1,191,327
OTHER FINANCING SOURCES (USES):				
Transfers in	20,000	20,000	492,234	472,234
Total other financing sources (uses)	20,000	20,000	492,234	472,234
Net change in fund balance	(203,163)	(583,755)	1,079,806	1,663,561
FUND BALANCE (DEFICIT):				
Beginning of year	(1,280,625)	(1,280,625)	(1,280,625)	-
End of year	$ (1,483,788)	$ (1,864,380)	$ (200,819)	$ 1,663,561

City of El Cerrito

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

Storm Drain Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes other than property	$ 701,000	$ 701,000	$ 701,950	$ 950
Total revenues	701,000	701,000	701,950	950
EXPENDITURES:				
Public works	491,292	491,292	460,913	30,379
Capital outlay	200,000	237,447	83,275	154,172
Total expenditures	691,292	728,739	544,188	184,551
REVENUES OVER (UNDER) EXPENDITURES	9,708	(27,739)	157,762	185,501
Net change in fund balance	9,708	(27,739)	157,762	185,501
FUND BALANCE:				
Beginning of year	517,369	517,369	517,369	-
End of year	$ 527,077	$ 489,630	$ 675,131	$ 185,501

City of El Cerrito
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Measure J Fund
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes other than property	$ 455,000	$ 455,000	$ 479,482	$ 24,482
Charges for services	-	-	175	175
Total revenues	455,000	455,000	479,657	24,657
EXPENDITURES:				
Public works	422,540	422,540	410,537	12,003
Recreation	-	-	13,066	(13,066)
Capital outlay	70,000	70,000	53,607	16,393
Total expenditures	492,540	492,540	477,210	15,330
REVENUES OVER (UNDER) EXPENDITURES	(37,540)	(37,540)	2,447	39,987
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(20,000)	(20,000)	(20,000)	-
Total other financing sources (uses)	(20,000)	(20,000)	(20,000)	-
Net change in fund balance	(57,540)	(57,540)	(17,553)	39,987
FUND BALANCE:				
Beginning of year	80,276	80,276	80,276	-
End of year	$ 22,736	$ 22,736	$ 62,723	$ 39,987

City of El Cerrito

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

Street Improvement Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes other than property	$ 1,560,000	$ 1,560,000	$ 1,630,826	$ 70,826
Other revenues	5,801	5,801	3,877	(1,924)
Total revenues	1,565,801	1,565,801	1,634,703	68,902
EXPENDITURES:				
General Government:				
Financial services	-	-	1,325	(1,325)
Public works	106,798	106,798	91,539	15,259
Capital outlay	950,000	984,938	631,092	353,846
Total expenditures	1,056,798	1,091,736	723,956	367,780
REVENUES OVER (UNDER) EXPENDITURES	509,003	474,065	910,747	436,682
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(704,400)	(704,400)	(704,400)	-
Total other financing sources (uses)	(704,400)	(704,400)	(704,400)	-
Net change in fund balance	(195,397)	(230,335)	206,347	436,682
FUND BALANCE:				
Beginning of year	991,000	991,000	991,000	-
End of year	$ 795,603	$ 760,665	$ 1,197,347	$ 436,682

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STATISTICAL SECTION

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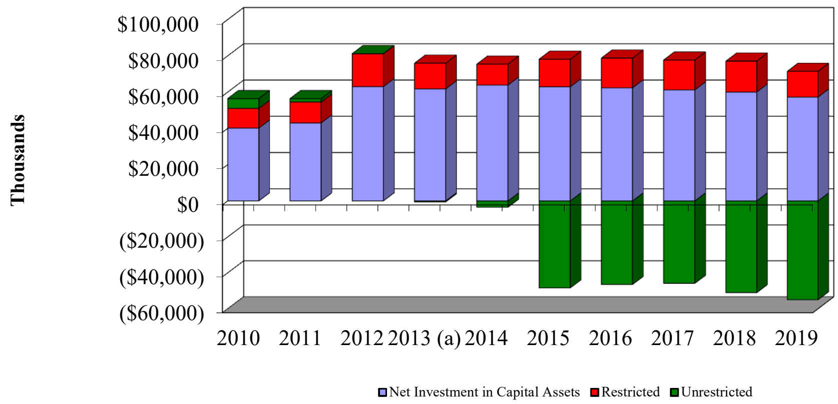
CITY OF EL CERRITO
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)



	Fiscal Year Ended June 30,									
	2010	**2011**	**2012**	**2013 (a)**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Governmental activities										
Net investment in capital assets	$39,807,135	$42,219,210	$62,188,857	$61,539,065	$63,535,927	$62,485,398	$61,687,197	$60,263,647	$58,942,988	$55,950,869
Restricted	10,851,206	11,513,748	18,127,376	14,185,459	11,556,030	15,211,282	16,401,240	16,468,323	17,041,501	14,225,506
Unrestricted	4,732,143	1,521,714	(136,900)	(1,090,092)	(3,744,215)	(48,590,298)	(46,508,497)	(45,697,093)	(50,908,159)	(54,698,365)
Total governmental activities net position	$55,390,484	$55,254,672	$80,179,333	$74,634,432	$71,347,742	$29,106,382	$31,579,940	$31,034,877	$25,076,330	$15,478,010
Business-type activities										
Net investment in capital assets	$357,798	$798,108	$828,754	$227,097	$328,697	$440,669	$674,225	$950,099	$1,106,285	$1,287,089
Unrestricted	660,993	339,821	201,464	579,719	288,935	247,155	72,217	(84,655)	(91,433)	(237,733)
Total business-type activities net position	$1,018,791	$1,137,929	$1,030,218	$806,816	$617,632	$687,824	$746,442	$865,444	$1,014,852	$1,049,356
Primary government										
Net investment in capital assets	$40,164,933	$43,017,318	$63,017,611	$61,766,162	$63,864,624	$62,926,067	$62,361,422	$61,213,746	$60,049,273	$57,237,958
Restricted	10,851,206	11,513,748	18,127,376	14,185,459	11,556,030	15,211,282	16,401,240	16,468,323	17,041,501	14,225,506
Unrestricted	5,393,136	1,861,535	64,564	(510,373)	(3,455,280)	(48,343,143)	(46,436,280)	(45,781,748)	(50,999,592)	(54,936,098)
Total primary government net position	$56,409,275	$56,392,601	$81,209,551	$75,441,248	$71,965,374	$29,794,206	$32,326,382	$31,900,321	$26,091,182	$16,527,366

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

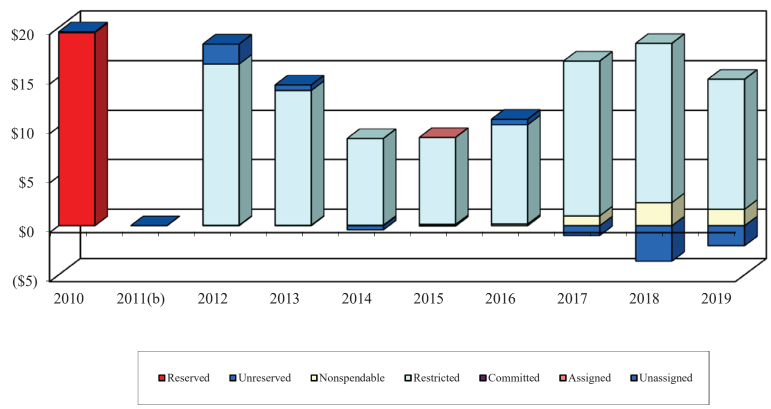
CITY OF EL CERRITO
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,				
	2010	2011	2012	2013 (a)	2014
Expenses					
Governmental Activities:					
General Government	$3,771,954	$4,246,235	$4,376,139	$4,236,098	$5,637,571
Public Works	5,162,256	6,411,539	6,185,638	8,433,345	5,444,248
Recreation	4,341,616	4,367,058	4,504,817	4,412,698	4,597,225
Community Development	5,849,338	4,319,850	2,910,097	4,280,475	6,121,329
Public Safety	16,374,501	16,721,719	18,207,775	18,847,110	18,767,955
Interest on Long Term Debt	2,427,173	2,302,131	1,548,739	1,051,397	904,001
Total Governmental Activities Expenses	37,926,838	38,368,532	37,733,205	41,261,123	41,472,329
Business-Type Activities:					
Integrated waste management	1,301,560	1,353,726	1,674,248	1,792,975	1,954,155
Total Business-Type Activities Expenses	1,301,560	1,353,726	1,674,248	1,792,975	1,954,155
Total Primary Government Expenses	$39,228,398	$39,722,258	$39,407,453	$43,054,098	$43,426,484
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	$86,885	$86,925	$606,107	$559,106	$106,677
Public Works	927,713	958,907	965,700	968,330	976,032
Recreation	2,828,247	2,825,684	2,924,662	2,973,708	3,221,674
Community Development	1,142,880	1,209,157	1,082,721	1,199,576	1,731,668
Public Safety	2,623,112	2,534,501	2,695,059	3,330,984	2,880,896
Operating Grants and Contributions	2,575,749	2,059,159	4,514,164	2,703,823	3,067,489
Capital Grants and Contributions	600,000	3,327,544	2,193,073	3,153,161	3,637,043
Total Government Activities Program Revenues	10,784,586	13,001,877	14,981,486	14,888,688	15,621,479
Business-Type Activities:					
Charges for Services:					
Integrated waste management	1,577,320	1,759,107	1,861,538	1,854,839	2,071,820
Operating Grants and Contributions	95,437	6,110	6,654	26,348	20,522
Total Business-Type Activities Program Revenue	1,672,757	1,765,217	1,868,192	1,881,187	2,092,342
Total Primary Government Program Revenues	$12,457,343	$14,767,094	$16,849,678	$16,769,875	$17,713,821
Net (Expense)/Revenue					
Governmental Activities	($27,142,252)	(25,366,655)	(22,751,719)	(26,372,435)	($25,850,850)
Business-Type Activities	371,197	411,491	193,944	88,212	138,187
Total Primary Government Net Expense	($26,771,055)	($24,955,164)	($22,557,775)	($26,284,223)	($25,712,663)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	$13,720,955	$13,696,480	$11,309,400	$8,336,665	$9,024,435
Sales Taxes	4,391,220	4,894,053	6,309,362	5,986,934	6,554,589
Transient Lodging Taxes	74,921	85,631	98,411	103,446	130,556
Franchise Taxes	939,189	982,799	1,020,930	1,065,858	1,228,307
Business License Taxes	625,461	673,257	691,948	660,931	768,448
Utility User Taxes	3,181,028	3,188,260	3,163,978	3,066,580	3,137,017
Real Property County Transfer Tax					
Other Taxes	143,232	191,904	98,028	107,795	129,774
Use of money and property	555,478	417,662	419,127	349,963	207,475
Other	759,572	807,414	1,181,320	1,042,753	1,056,188
Transfers	287,630	293,383	302,184	313,086	327,371
Gain on extinguishment of debt			649,406		
Extraordinary item			22,432,286		
Special item					
Total Government Activities	24,678,686	25,230,843	47,676,380	21,034,011	22,564,160
Business-Type Activities:					
Use of money and property	5,769	1,030	529	1,472	
Transfers	(287,630)	(293,383)	(302,184)	(313,086)	(327,371)
Total Business-Type Activities	(281,861)	(292,353)	(301,655)	(311,614)	(327,371)
Total Primary Government	$24,396,825	$24,938,490	$47,374,725	$20,722,397	$22,236,789
Change in Net Position					
Governmental Activities	($2,463,566)	($135,812)	$24,924,661	($5,338,424)	($3,286,690)
Business-Type Activities	89,336	119,138	(107,711)	(223,402)	(189,184)
Total Primary Government	($2,374,230)	($16,674)	$24,816,950	($5,561,826)	($3,475,874)

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

Fiscal Year Ended June 30,				
2015	2016	2017	2018	2019
$4,218,763	$4,791,816	$5,138,555	$5,758,535	$6,723,883
5,576,671	5,276,434	7,296,766	8,956,800	8,800,985
4,629,731	4,838,539	5,335,946	6,319,879	6,852,784
2,208,566	2,094,643	2,867,664	2,877,501	2,683,918
18,924,124	18,620,431	20,310,165	24,291,518	26,250,994
880,173	845,437	982,440	852,986	837,272
36,438,028	36,467,300	41,931,536	49,057,219	52,149,836
1,787,896	1,940,519	2,376,867	2,420,952	2,606,192
1,787,896	1,940,519	2,376,867	2,420,952	2,606,192
$38,225,924	$38,407,819	$44,308,403	$51,478,171	$54,756,028
$109,345	$137,038	$1,096,168	$1,116,938	$983,618
987,537	514,039	331,297	433,727	453,911
3,285,398	3,112,985	3,611,541	3,785,511	4,385,622
1,132,299	1,439,678	1,848,830	1,813,313	1,917,141
2,793,410	2,819,113	3,048,763	3,504,858	3,437,116
2,762,749	2,496,255	1,942,080	2,410,442	3,534,462
3,677,475	1,573,560	2,039,912	3,013,832	5,093,007
14,748,213	12,092,668	13,918,591	16,078,621	19,804,877
2,203,157	2,318,342	2,366,205	2,555,397	2,581,473
1,250	37,213	25,683	24,634	62,894
2,204,407	2,355,555	2,391,888	2,580,031	2,644,367
$16,952,620	$14,448,223	$16,310,479	$18,658,652	$22,449,244
($21,689,815)	($24,374,632)	($28,012,945)	($32,978,598)	($32,344,959)
416,511	415,036	15,021	159,079	38,175
($21,273,304)	($23,959,596)	($27,997,924)	($32,819,519)	($32,306,784)
$9,927,028	$11,211,539	$12,770,037	$13,360,216	$14,242,520
6,408,016	7,234,366	7,477,393	8,215,732	8,318,511
114,712	139,084	134,171	145,489	147,550
1,376,771	1,453,351	1,375,048	1,279,037	1,244,897
722,130	787,122	775,413	846,900	910,104
3,106,232	3,291,255	3,360,277	2,965,675	3,207,892
				1,102,563
144,539	180,447	154,863	147,623	1,935
264,318	144,768	121,840	263,057	291,016
1,283,914	2,495,863	359,484	37,207	49,556
346,319	356,418	9,671	9,671	3,671
				(6,773,576)
23,693,979	27,294,213	26,538,197	27,270,607	22,746,639
(346,319)	(356,418)	(9,671)	(9,671)	(3,671)
(346,319)	(356,418)	(9,671)	(9,671)	(3,671)
$23,347,660	$26,937,795	$26,528,526	$27,260,936	$22,742,968
$2,004,164	$2,919,581	($1,474,748)	($5,707,991)	($9,598,320)
70,192	58,618	5,350	149,408	34,504
$2,074,356	$2,978,199	($1,469,398)	($5,558,583)	($9,563,816)

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



	Fiscal Year Ended June 30,									
	2010	2011(b)	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	$1,157,943									
Unreserved	1,890,350									
Nonspendable		$65,082	$44,373	$48,049	$58,326	$128,242	$170,353	$994,742	$2,321,077	$1,650,928
Restricted		3,950,000	598,957	1,055,758	150,445	10,170	10,187	10,205		
Assigned					53,108					
Unassigned		2,484,405	2,646,012	1,237,431	1,008,587	1,323,100	1,713,302	(186,227)	(2,233,507)	(1,707,620)
Total General Fund	$3,048,293	$6,499,487	$3,289,342	$2,341,238	$1,270,466	$1,461,512	$1,893,842	$818,720	$87,570	($56,692) (a)
All Other Governmental Funds										
Reserved	$18,328,277									
Unreserved, reported in:										
Special revenue funds	358,328									
Capital project funds	(2,178,438)									
Nonspendable		$80								
Restricted		11,665,452	$15,673,702	$12,543,820	$8,605,973	$8,778,625	$10,017,073	$15,608,545	$16,077,928	$13,130,770
Unassigned		(2,264,095)	(632,179)	(676,189)	(1,420,894)	(1,357,264)	(1,157,537)	(802,928)	(1,368,372)	(322,255)
Total all other governmental funds	$16,508,167	$9,401,437	$15,041,523	$11,867,631	$7,185,079	$7,421,361	$8,859,536	$14,805,617	$14,709,556	$12,808,515

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

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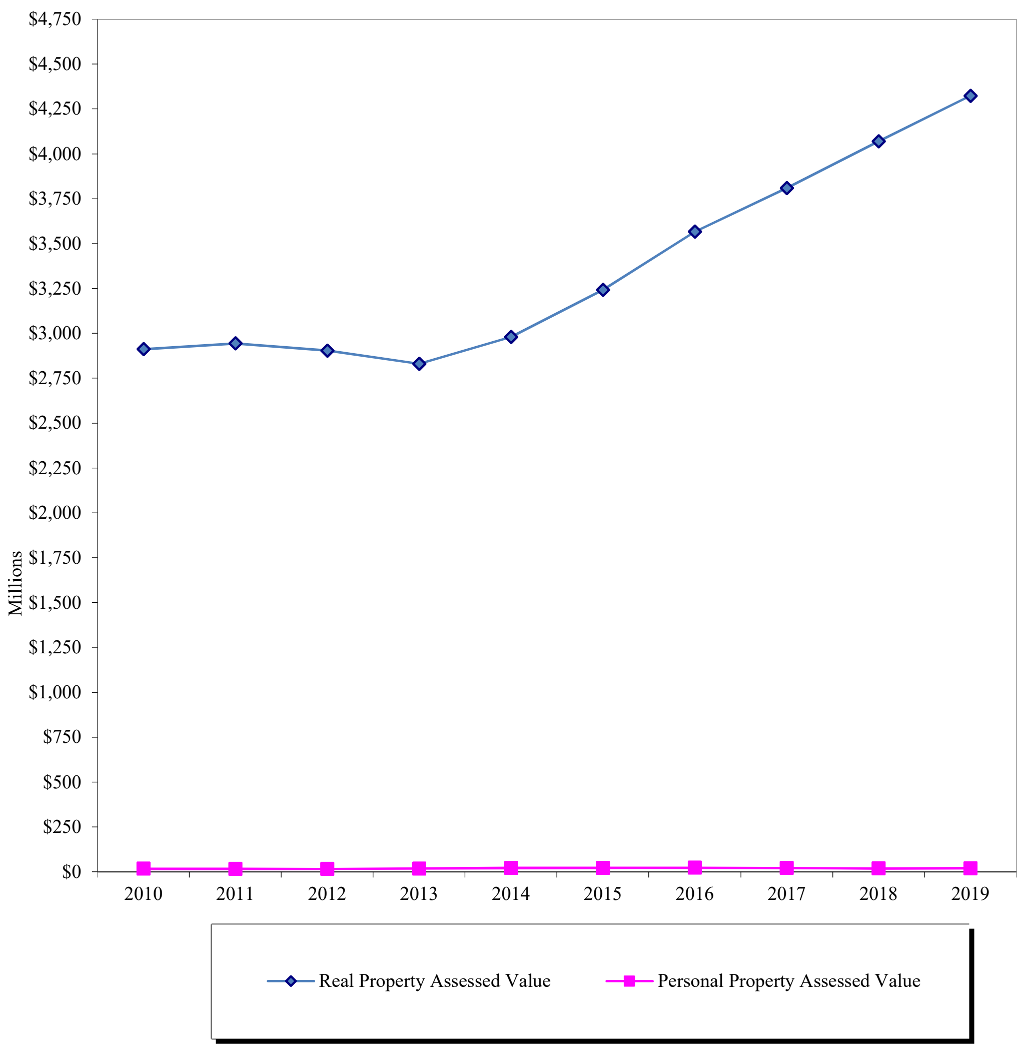
CITY OF EL CERRITO
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30, 2010	2011	2012	2013
Revenues				
Taxes and assessments	$24,378,133	$25,079,479	$24,110,739	$20,834,072
Less Educational Revenue Augmentation Fund				
Intergovernmental revenues	5,223,559	7,361,494	6,176,489	8,889,058
Use of money and property	458,970	379,673	380,414	473,093
Licenses and permits	579,275	562,760	518,276	516,704
Charges for services	3,814,849	3,815,754	4,443,270	4,464,986
Fines and Penalties	352,865	267,673	215,336	288,781
Other revenues	253,564	370,485	2,894,000	474,160
Total Revenues	35,061,215	37,837,318	38,738,524	35,940,854
Expenditures				
Current:				
General Government	3,343,431	3,540,090	3,707,012	3,771,911
Public Works	3,020,511	3,072,366	3,372,882	5,614,913
Public Safety	15,709,011	16,185,600	17,826,518	18,343,774
Community Development	2,644,586	2,698,325	2,317,779	2,881,192
Recreation	4,056,060	4,099,382	4,168,182	4,128,702
Other Expense	826,942	886,575	507,493	
SERAF payment	1,767,418	363,880		
Estimated reduction in value of land held for redevelopment	388,964			1,256,376
Payment of sales tax to City of Richmond				
Capital outlay	9,856,639	6,562,388	2,167,284	3,566,405
Debt service:				
Principal repayment	2,008,193	2,140,496	3,150,000	3,711,088
Interest and fiscal charges	2,378,710	2,237,135	1,993,445	1,001,529
Cost of issuance				
Total Expenditures	46,000,465	41,786,237	39,210,595	44,275,890
Excess (deficiency) of revenues over (under) expenditures	(10,939,250)	(3,948,919)	(472,071)	(8,335,036)
Other Financing Sources (Uses)				
Transfers in	8,996,159	16,898,143	12,161,506	5,594,636
Transfers (out)	(8,781,818)	(16,604,760)	(11,586,322)	(5,286,919)
Issuance of debt			1,026,800	4,111,800
Proceeds from sale of assets				
Payment to escrow agent			83,202	
Capital lease financing				
Bond premium				
Total other financing sources (uses)	214,341	293,383	1,685,186	4,419,517
Extraordinary Items				
Assets transferred to Housing Successor				5,613,091
Assets transferred to/liabilities assumed by Successor Agency				(4,396,265)
Special Items				
Land Sale Proceeds to the Contra Costa County				
Land Sale Proceeds Transfers to Successor Agency Fund				
Gain on sale of land held for resale				
Proceeds of sale of land from Contra Costa County				
Net change in fund balances	($10,724,909)	($3,655,536)	$1,213,115	($2,698,693)
Debt service as a percentage of noncapital expenditures	12.0%	12.4%	12.5%	13.9%

Fiscal Year Ended June 30,					
2014	**2015**	**2016**	**2017**	**2018**	**2019**
$22,540,639	$23,447,204	$25,956,002	$27,511,526	$23,829,757	$31,367,715
7,950,134	9,229,702	6,833,050	4,759,518	4,115,543	9,609,792
387,375	450,409	415,534	451,388	373,954	261,611
539,567	493,244	607,729	719,843	765,706	775,876
4,797,980	4,288,002	4,406,143	5,766,594	6,099,394	6,944,795
388,365	276,759	326,544	350,855	222,173	232,298
212,822	189,696	808,134	678,047	377,394	582,815
36,816,882	38,375,016	39,353,136	40,237,771	35,783,921	49,774,902
3,979,356	3,738,775	4,363,219	4,928,339	5,248,920	5,949,944
2,617,605	2,656,789	2,748,364	3,831,414	1,673,715	4,639,984
18,154,272	18,461,031	19,327,886	20,277,045	21,261,548	23,379,730
3,404,976	4,622,769	2,387,886	2,778,502	2,405,103	2,531,783
4,230,866	4,352,987	4,685,966	5,067,725	5,183,872	6,037,006
3,083,749					
253,720	245,599				
4,867,159	2,427,619	2,068,310	1,272,245	276,683	5,033,324
1,400,710	914,158	941,573	1,233,745	98,616	1,075,004
905,164	874,280	850,250	921,281	103,732	827,463
			522,407		
42,897,577	38,294,007	37,373,454	40,832,703	36,252,189	49,474,238
(6,080,695)	81,009	1,979,682	(594,932)	(468,268)	300,664
5,216,550	2,688,549	2,592,090	1,194,371	54,583	3,506,366
(4,889,179)	(2,342,230)	(2,262,534)	(1,211,562)	(317,465)	(3,529,556)
			15,690,000		
		7,290			
			(17,384,909)		
					116,121
			1,694,909		
327,371	346,319	336,846	(17,191)	(262,882)	92,931
					(3,457,547)
					(1,202,453)
					1,420,347
					800,755
($5,753,324)	$427,328	$2,316,528	($612,123)	($731,150)	($2,045,303)
6.1%	6.1%	5.1%	1.2%	1.3%	4.4%

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



Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value (1)	% Change From Prior Year	Total Direct Rate (2)
2010	2,911,917,594	16,634,587	2,928,552,181	-0.7%	1.0%
2011	2,944,230,367	16,412,735	2,960,643,102	1.1%	1.0%
2012	2,903,974,930	15,980,388	2,919,955,318	-1.4%	1.0%
2013	2,830,819,604	17,791,119	2,848,610,723	-2.4%	1.0%
2014	2,981,044,726	21,417,223	3,002,461,949	5.4%	1.0%
2015	3,242,643,566	21,591,610	3,264,235,176	8.7%	1.0%
2016	3,566,630,684	22,782,122	3,589,412,806	10.0%	1.0%
2017	3,810,090,943	20,431,443	3,830,522,386	6.7%	1.0%
2018	4,070,176,177	19,170,357	4,089,346,534	6.8%	1.0%
2019	4,324,516,299	19,462,999	4,343,979,298	6.2%	

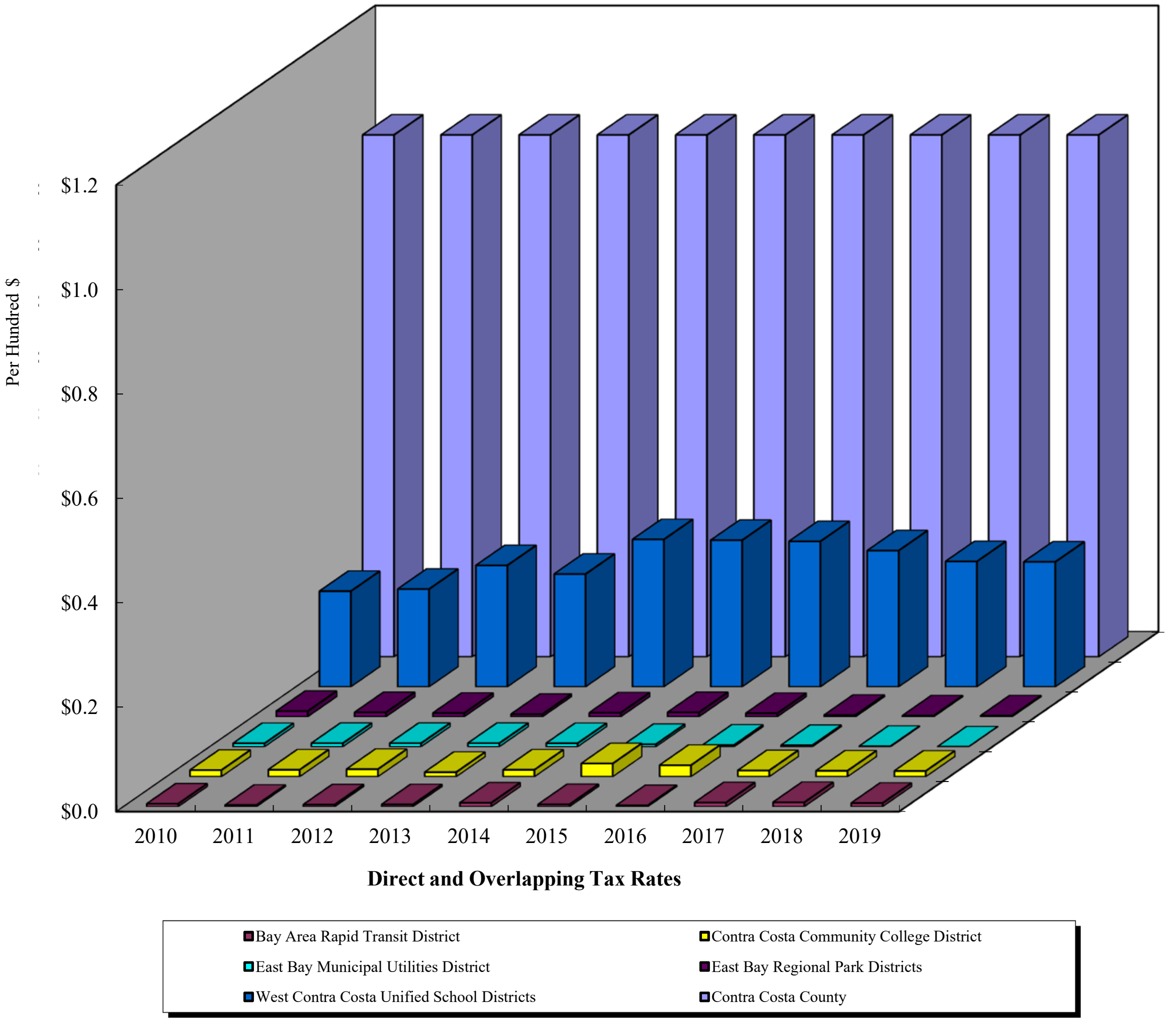
Source: HDL report

Notes:

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

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

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



Fiscal Year	Contra Costa County	Bay Area Rapid Transit District	Contra Costa Community College District	East Bay Municipal Utilities District	East Bay Regional Park Districts	West Contra Costa Unified School Districts	Total Direct and Overlapping Tax Rates (1)	Total Direct Rate
2010	1.00000	0.00570	0.01260	0.00650	0.01080	0.18280	1.21840	0.35988
2011	1.00000	0.00310	0.01330	0.00670	0.00840	0.18690	1.21840	0.35321
2012	1.00000	0.00410	0.01440	0.00670	0.00710	0.23220	1.26450	0.35287
2013	1.00000	0.00430	0.00870	0.00680	0.00510	0.21570	1.24060	0.35855
2014	1.00000	0.00750	0.01330	0.00660	0.00780	0.28180	1.31700	0.22289
2015	1.00000	0.00450	0.02520	0.00470	0.00850	0.28030	1.32320	0.22288
2016	1.00000	0.00260	0.02200	0.00340	0.00670	0.27810	1.31280	0.22670
2017	1.00000	0.00800	0.01200	0.00280	0.00320	0.26040	1.28640	0.22642
2018	1.00000	0.00840	0.01140	0.00110	0.00210	0.23970	1.26270	0.22619
2019	1.00000	0.00700	0.01100		0.00210	0.23900	1.25910	0.22601

Source: HDL Report

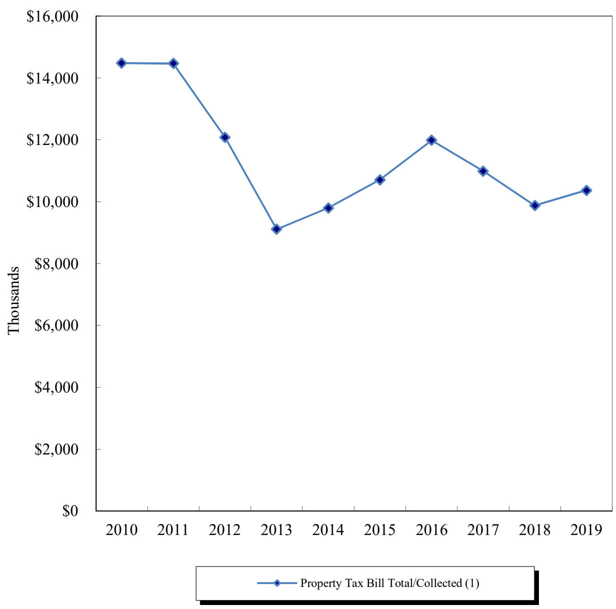
Notes:
(1) Rates are per $100 of assessed value.

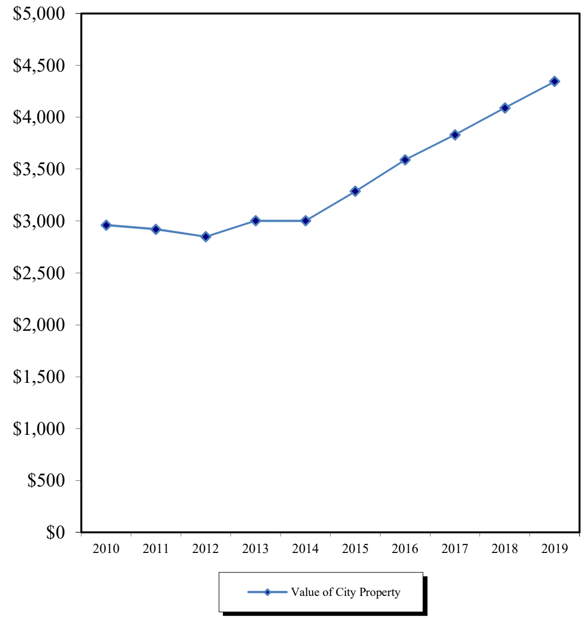
CITY OF EL CERRITO
Principal Property Tax Payers
Current Year and Nine Years Ago

	2018-2019			2009-2010		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
MCD-RCCA El Cerrito LLC	$96,007,416	1	2.21%	$84,829,156	1	2.89%
KMF X El Cerrito LLC	57,842,332	2	1.33%			
El Cerrito Shopping Center LLC	45,627,398	3	1.05%			
MG Garden View Apartments LP	23,554,245	5	0.54%	16,376,983	4	0.56%
Lucky Fla Nocal Investor LLC	18,865,000	6	0.43%	20,261,218	3	
Civic Plaza Riley Group LLC	16,838,091	8	0.39%	$14,877,607	6	0.51%
RB Del Norte LLC	17,023,800	7	0.39%			
El Cerrito Affordable Housing Partners	12,240,000	9	0.28%			
Longs Drug Stores Inc	11,406,316	10	0.26%			
Creekside Walk Ventures LLC	25,761,250	4	0.59%			
St John Land Partnership				9,955,331	8	
ECD Associates		N/A		24,984,500	2	0.85%
Elliot and Alana Megdal Treust		N/A		7,103,166	10	0.24%
Dayton Hudson Corporation		N/A		11,982,031	7	0.41%
Pepper Lane SE Square Loop		N/A		7,204,207	9	0.25%
Preferred bank		N/A		16,079,594	5	0.55%
Subtotal	$325,165,848		7.49%	$213,653,793		7.29%
Total Net Assessed Valuation: Fiscal Year 2018-19 & 2009-2010	***$4,343,979,298***			$2,931,209,935		

Source: HDL Report

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





Fiscal Year	City Property Tax Levy	RDA Property Tax Increment	Special Assessments	Property Tax Bill Total/Collected (1)	% Change From Prior Year	Value of City Property Subject to Local Tax Rate
2010	7,397,021	5,190,553	1,896,445	14,484,019	-5.0%	2,960,643,102
2011	7,580,902	4,978,501	1,908,127	14,467,530	-0.1%	2,919,955,318
2012	7,461,509	2,710,782 (2)	1,908,236	12,080,527	-16.5%	2,848,610,723
2013	7,199,296	(2)	1,908,470	9,107,766	-24.6%	3,002,461,949
2014	7,887,028	(2)	1,908,642	9,795,670	7.6%	3,002,461,949
2015	8,799,514	(2)	1,908,856	10,708,370	9.3%	3,286,691,468
2016	9,843,212	(2)	2,142,122	11,985,334	11.9%	3,589,412,806
2017	8,844,201	(2)	2,141,740	10,985,941	-8.3%	3,830,522,386
2018	7,765,728	(2)	2,110,456	9,876,184	-10.1%	4,089,346,534
2019	8,256,068	(2)	2,112,686	10,368,754	5.0%	4,343,979,298

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

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

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

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

	Governmental Activities						
Fiscal Year	**Tax Allocation Bonds**	**2017 COP Revenue Bonds**	**Storm Drain Revenue Bonds**	**Capital Leases**	**2017 Sales Tax Revenue Bonds**	**Acquisition/ Developer Notes**	**Total Governmental Activities**
2010	20,775,000	12,585,000	1,860,000	1,093,369	11,295,000	3,125,011	50,733,380
2011	19,845,000	12,155,000	1,435,000	976,658	11,055,000	3,009,515	48,476,173
2012	(b)	11,705,000	1,026,800	887,688	10,810,000	(b)	24,429,488
2013	(b)	11,321,500	514,500	2,337,160	10,555,000	(b)	24,728,160
2014	(b)	10,788,700		2,133,692	10,290,000	(b)	23,212,392
2015	(b)	10,235,400		1,925,719	10,020,000	(b)	22,181,119
2016	(b)	9,667,200		1,713,138	9,740,000	(b)	21,120,338
2017	(b)	8,259,900		1,495,838	8,650,000	(b)	18,405,738
2018	(b)	7,040,000		1,273,713	8,335,000	(b)	16,648,713
2019	(b)	6,760,000		1,046,649	8,010,000	(b)	15,816,649

	Business-Type Activities				
Fiscal Year	**Capital Leases**	**Revenue Refunding Bonds**	**Total Primary Government**	**Percentage of Personal Income (a)**	**Per Capita (a)**
2010	1,048,059		51,781,439	5%	2,207
2011	4,411,858		52,888,031	5%	2,235
2012	4,129,313		28,558,801	5%	1,208
2013	732,805	3,296,100	28,757,065	3%	1,210
2014	625,486	$3,067,600	26,905,478	3%	1,125
2015	516,248	2,833,400	25,530,767	3%	1,060
2016	405,057	2,593,600	24,118,995	2%	1,000
2017	291,878	2,347,900	21,045,516	2%	843
2018	176,676	2,647,698	19,473,087	1%	790
2019	59,414.00	1,838,200.00	17,714,263	1%	696

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

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

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

CITY OF EL CERRITO
STATEMENT OF DIRECT AND OVERLAPPING DEBT
June 30, 2019

2018-2019 Assessed Valuation:	$4,343,979,298
Less Incremental Valuation:	(750,659,957)
Adjusted Assessed Valuation:	$3,593,319,341

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	GROSS BONDED DEBT BALANCE	Percentage Applicable to City (2)	Debt 6/30/19 Amount Applicable to City of El Cerrito
OVERLAPPING TAX AND ASSESSMENT DEBT:			
COUNTY GENERAL	122,585,000	2.118	2,595,873
CCC PFA 1998	9,140,000	2.118	193,550
CCC PFA 1999	7,750,000	2.118	164,115
CCC PFA 2002	5,175,000	2.118	109,586
CCC PFA 2003	4,235,000	2.118	89,681
CCC PFA 2007	94,195,000	2.118	1,994,684
CCC PFA 2009	10,233,557	2.118	216,707
CCC PFA 2010 A-1	10,580,000	2.118	224,043
CCC PFA 2010 A-2	13,130,000	2.118	278,042
CCC PFA 2010A -3	20,700,000	2.118	438,345
CCC PFA 2010 B	8,730,000	2.118	184,867
CCC PFA 2012	8,074,191	2.118	170,980
CCC PFA 2015	52,210,000	2.118	1,105,605
CCC PFA 2017 A	69,000,000	2.118	1,461,152
CCC PFA 2017 B	88,900,000	2.118	1,882,556
BART BONDS	219,953,951	2.118	4,657,769
EAST BAY REGIONAL PARK 2008 BOND REFUNDING	77,218,361	2.118	1,635,184
WEST CONTRA COSTA UNIFILED 1998 BOND	12,375,000	13.559	1,677,875
WEST CONTRA COSTA UNIFILED 2000 BOND	152,675,000	13.559	20,700,573
WEST CONTRA COSTA UNIFILED 2002 BOND	312,540,234	13.559	42,376,039
WEST CONTRA COSTA UNIFILED 2005 BOND	481,919,699	13.559	65,341,501
WEST CONTRA COSTA UNIFILED 2010 BOND	353,440,000	13.559	47,921,469
WEST CONTRA COSTA UNIFILED 2012 BOND	261,000,000	13.559	35,387,912
CONTRA COSTA COMMUNITY COLLEGE 2002 BOND	159,705,000	2.125	3,393,688
CONTRA COSTA COMMUNITY COLLEGE 2006 BOND	281,570,000	2.125	5,983,286
CONTRA COSTA COMMUNITY COLLEGE 2014 BOND	84,440,000	2.125	1,794,327
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			241,979,409
DIRECT DEBT:			
Outstanding Tax Override Debt		100.000%	8,010,000
City of El Cerrito City Hall Lease Revenue Bonds		100.000%	6,760,000
Master Equipment Leases		100.000%	1,046,649
TOTAL DIRECT DEBT:			15,816,649
GROSS COMBINED TOTAL DEBT			$257,796,058 (1)

Ratios to 2018-2019 Assessed Valuation:	
Direct Debt	0.44%
Total Gross Overlapping Tax and Assessment Debt	6.73%
Total Overlapping Tax and Assessment Debt	7.17%

Notes:

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

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

CITY OF EL CERRITO
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2019

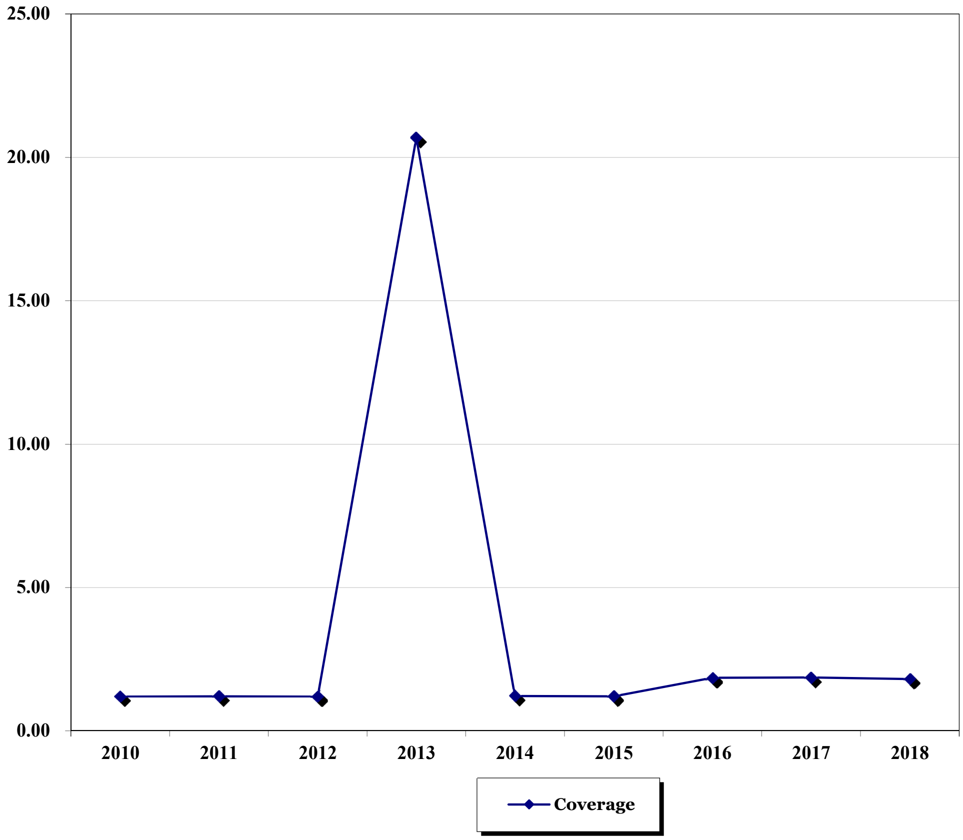
ASSESSED VALUATION:		
Secured property assessed value, net of exempt real property	$4,343,979,298	
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)		$651,596,895
AMOUNT OF DEBT SUBJECT TO LIMIT:		
Total Bonded Debt	$18,820,150	
Less Tax Allocation Bonds and Revenue Bonds, Capital Leases and Notes Payable not subject to limit	18,820,150	
Amount of debt subject to limit		
LEGAL BONDED DEBT MARGIN		$651,596,895

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2010	439,282,827		439,282,827	
2011	444,096,465		444,096,465	
2012	437,993,298		437,993,298	
2013	427,291,608		427,291,608	
2014	450,369,292		450,369,292	
2015	493,003,720		493,003,720	
2016	538,411,921		538,411,921	
2017	574,578,358		574,578,358	
2018	613,401,980		613,401,980	
2019	651,596,895		651,596,895	

NOTE:

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

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



Fiscal Year	Taxes and Assessments (1)	Debt Service Requirements Principal (3)	Interest (3)	Total	Coverage
2010	439,687	230,000	136,428	366,428	1.20
2011	439,215	235,000	128,578	363,578	1.21
2012	439,158	245,000	120,055	365,055	1.20
2013	439,268	(2)	21,236 **(2)**	21,236 (2)	20.69
2014	439,477	312,800	46,258	359,058	1.22
2015	439,508	323,300	40,024	363,324	1.21 (2)
2016	668,220	328,200	33,640	361,840	1.85
2017	667,971	332,300	27,167	359,467	1.86
2018	654,469	340,800	20,570	361,370	1.81
2019	633,080	343,500	13,864	357,364	1.77

Notes:

(1) Includes all taxes and assessments from the Measure A Parcel Tax Fund 206
(2) The 2002 Lease Revenue Bonds were refunded and retired by the 2012 Lease Revenue Refunding Bonds during the fiscal year. Retirements exclude the refunded bond principal and interest of $2,685,000 and $65,181, respectively.
(3) Include debt service payment in Fund 834

Source: City of El Cerrito Annual Financial Statements

CITY OF EL CERRITO
REVENUE BOND COVERAGE
SALES TAX REVENUE BONDS
LAST SEVEN FISCAL YEARS

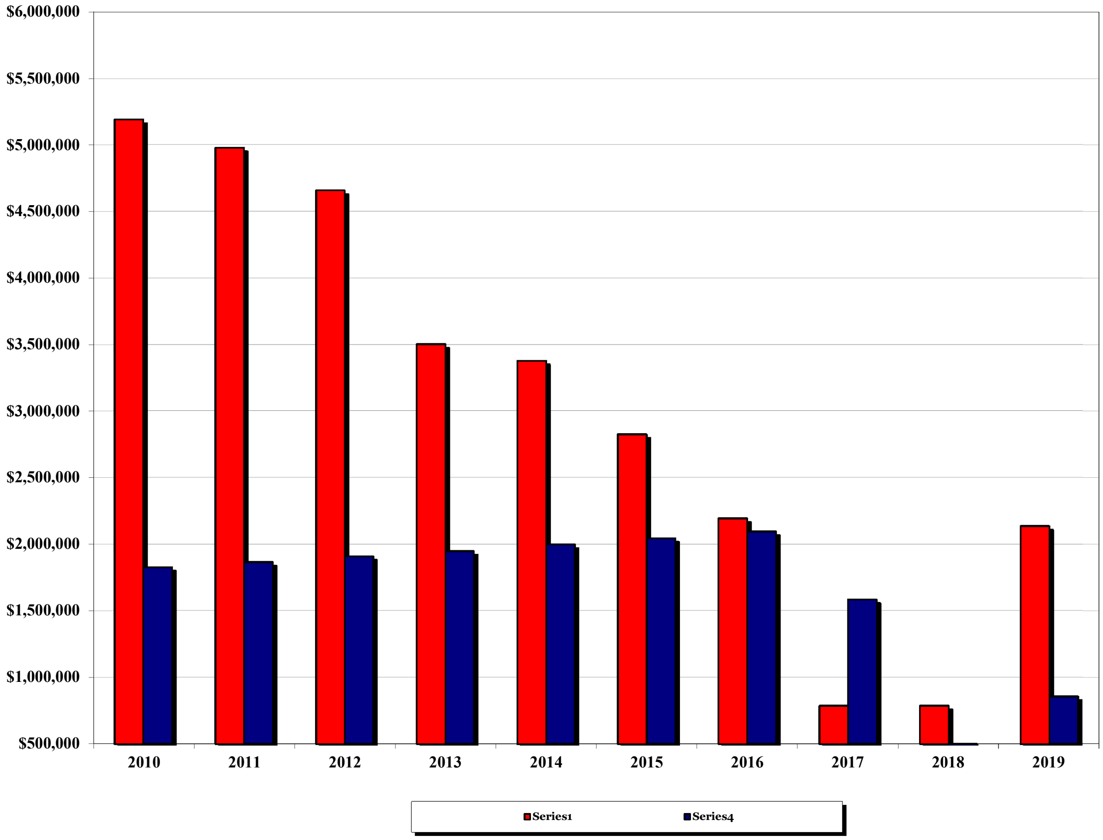
Fiscal Year	Taxes and Assessments (1)	Debt Service Requirements Principal (3)	Interest (3)	Total	Coverage
2010	1,334,628	230,000	509,102	739,102	1.81
2011	1,375,828	240,000	501,052	741,052	1.86
2012	1,546,542	245,000	492,653	737,653	2.10
2013	1,141,958	255,000	484,078	739,078	1.55
2014	1,453,527	265,000	475,152	740,152	1.96
2015	1,399,734	270,000	466,408	736,408	1.90
2016	1,800,599	280,000	457,228	737,228	2.44
2017	1,428,094	290,000	447,078	737,078	1.94
2018	$1,590,085	$315,000	$385,700 (2)	$700,700	2.27
2019	$1,630,826	$325,000	$379,400	$704,400	2.32

Notes:

(1) Includes all taxes and assessments from the Street Improvement Fund 211
(2) The 2008 Sales tax revenue bonds were refinanced in FY17. Interest in FY18 is for the 2017 F
(3) Include debt payments from Fund 836

Source: City of El Cerrito Annual Financial Statements

CITY OF EL CERRITO
BONDED DEBT PLEDGED REVENUE COVERAGE
TAX ALLOCATION BONDS
LAST TEN FISCAL YEARS



Fiscal Year	Tax Increment Revenue		Debt Service Requirements: Principal		Interest		Total	Coverage
2010	5,190,553		850,000		979,798		1,829,798	2.84
2011	4,978,501		930,000		938,331		1,868,331	2.66
2012	4,660,032	(2)	1,020,000		891,030		1,911,030	2.44
2013	3,502,901	(3)	1,110,000	(4)	839,248	(4)	1,949,248	1.80
2014	3,375,902	(3)	1,215,000	(4)	785,844	(4)	2,000,844	1.69
2015	2,826,462	(3)	1,315,000	(4)	730,820	(4)	2,045,820	1.38
2016	2,195,420	(3)	1,425,000	(4)	670,676	(4)	2,095,676	1.05
2017	788,216	(3)	1,530,000	(4)	52,705	(4)	1,582,705	0.50
2018	788,216	(5)	-		-		-	NA
2019	2,138,127				856,583.85		856,583.85	2.50

Source: City of El Cerrito Annual Financial Statements

Notes:
(1) Includes the 1997, 1998 and 2004 Tax Allocation Bonds
(2) Due to the dissolution of the Redevelopment Agency effective February 1, 2012, the Tax Allocation Bonds were transferred to the Successor Agency and tax increment revenue reported in this schedule includes both tax increment collected by the Redevelopment Agency and property taxes collected by the Successor Agency.
(3) Includes property taxes collected by the Successor Agency Fund 780
(4) Debt service is paid by the Successor Agency.
(5) All the tax allocation bonds were refinanced in FY2017, and there is no debt service requirement for them in FY18

CITY OF EL CERRITO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar Year	City Population (1)	Total Personal Income (2)	Median Population Age (6)	Median Household Income (3)	Unemployment Rate (4)	Public School Enrollment (5)	Contra Costa County Population (1)	City Population % of County
2010	23,666	1,000,290,822	44.4	42,267	9.2%	3,076	1,072,953	2.21%
2011	23,648	899,049,664	43.1	38,018	10.0%	3,076	1,056,064	2.24%
2012	23,774	972,380,000	43.7	40,901	9.3%	3,316	1,065,117	2.23%
2013	23,910	1,022,129,000	43.3	42,749	6.3%	3,304	1,079,597	2.21%
2014	24,087	1,018,350,000	44.5	42,278	5.4%	(6)	1,087,008	2.22%
2015	24,115	1,053,560,000	44.4	43,689	5.4%	(6)	1,102,871	2.19%
2016	24,954	1,138,226,802	44.4	45,613	4.4%	(6)	1,126,745	2.21%
2017	24,600	1,113,784,000	43.8	45,275	3.9%	(6)	1,139,429	2.16%
2018	24,646	2,283,944,820	43.6	92,670	4.2%	(6)	1,149,363	2.14%
2019	25,459	2,556,643,698	43.6	100,422	4.2%	(6)	1,155,879	2.20%

Sources:
(1) Contrac Costa County website from DOF https://www.contracosta.ca.gov/5342/Demographics
(2) Data not available, therefore it has been calculated by multiplying the City population by the Median Household Income.
(3) United States Census Bureau.
(4) Areavibes
(5) West Contra Costa County Unified School District.
(6) Not available

CITY OF EL CERRITO
Principal Employers
Fiscal 2018-2019 (1)

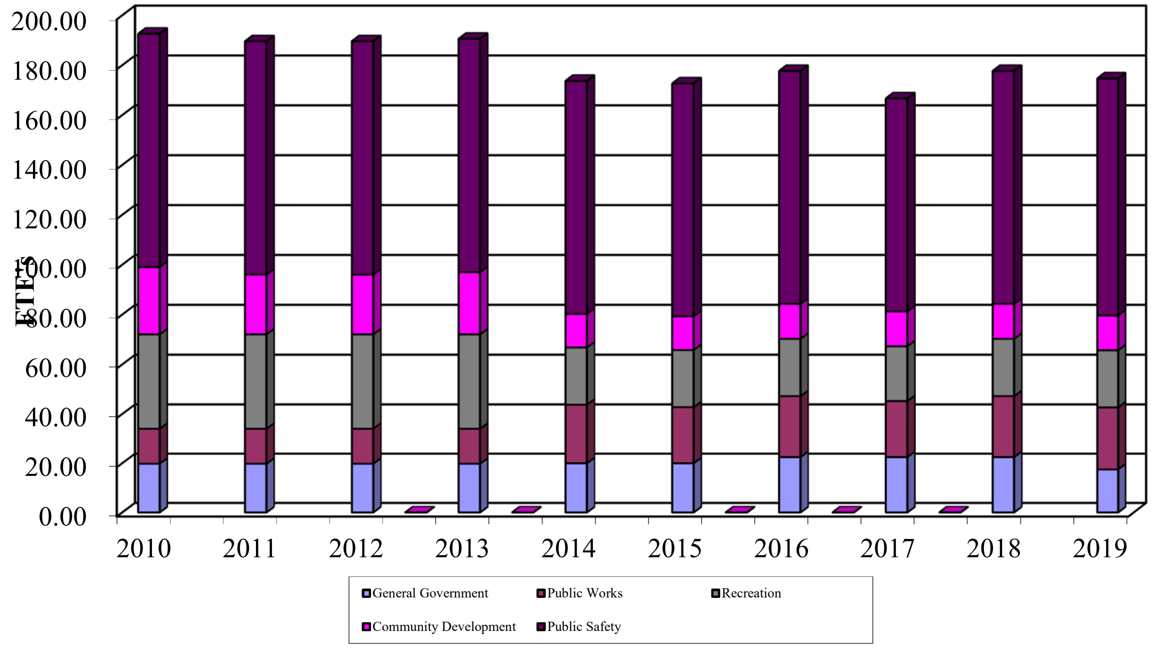
Employer
Barnes and Noble
Bed Bath & Beyond
City of El Cerrito
CVS Pharmacy
El Cerrito Royale
Fat Apple's Restaurant
Home Depot
Honda of El Cerrito
Lucky's
Mira Vista Golf and Country Club
Nation's
Pastime Hardware
Prospect Sierra School
Romano's Macaroni Grill
Safeway
Shields Nursing Center
Tehiyah Day School
Trader Joe's
US Post Office
West Contra Costa Unified School District

Source: City of El Cerrito

Note: Data not available for ranking or total employees for each employer.

(1) Data for fiscal year 2018 was not available, therefore information from fiscal year 2013 is presented

CITY OF EL CERRITO
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
General Government	19.80	19.80	19.80	19.80	20.00	20.00	22.50	22.50	22.50	17.50
Public Works	14.25	14.25	14.25	14.25	23.80	22.80	24.80	22.80	24.80	25.20
Recreation	38.00	38.00	38.00	38.00	23.00	23.00	23.00	22.00	23.00	23.00
Community Development	27.00	24.00	24.00 (a)	25.00 (a)	13.50	13.50 (a)	14.00 (a)	14.00 (a)	14.00	14.00
Public Safety	93.55	93.55	93.55	93.55	93.40	93.40	93.40	85.40	93.40	95.00
Total	192.60	189.60	189.60	190.60	173.70	172.70 (b)	177.70 (b)	166.70 (b)	177.70	174.70

Source: City of El Cerrito Adopted Operating Budget
Notes: (a) Includes Environmental Services Division
(b) Amounts prior to 2014 include part time positions. 2014 and onward includes only full-time positions.

CITY OF EL CERRITO
Operating Indicators by Function/ Program
Information as available - Last Ten Fiscal Years

Function/ Program	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-2018	2018-2019
Community Development:										
Planning:										
Number of Permits	122	89	103	135	199	122	163	174	187	183
Building:										
Permits Issued	1,231	1,249	1,178	1,572	1,137	1,148	1,164	1,167	1,304	1,263
Annual Inspections	7,180	5,908	7,483	7,445	8,744	9,272	8,824	8,959	8,715	7,918
Public Safety:										
Fire:										
Number of Responses	2,823	2,764	2,820	2,973	2,956	3,018	3,326	3,451	3,553	3,516
Police:										
Number of Responses	25,497	24,490	21,812	24,753	25,160	33,376	23,855	25,834	26,011	26,810
Recreation:										
Recreation Administration/ Non-Departmental:										
Drop-In Sales	989	676	0	0	19	23	412	500		
POS									1,210	477
Childcare Administration:										
Participants	1,989	1,627	2,011	1,512	1,482	1,510	1,259	1,351	992	896
Aquatics:										
Enrollments	5,512	5,265	4,525	4,669	5,003	4,636	4,998	5,008	5,815	6,221
Pass Sales	3,929	3,927	3,684	3,491	3,719	3,439	4,784	3,706	1,457	2,840
Facility Rentals	103	105	154	416	397	445	437	356	247	298
Drop-In Sales	21,344	21,272	22,851	26,225	30,922	30,367	31,773	34,826	3,112	27,278
Senior Services:										
Enrollments	2,583	2,817	2,030	1,417	1,806	1,656	1,496	1,339	1,508	2,214
Facility Rentals	2	2	30	17 **	45	20	4	32	1	5
Drop-In Sales	1,307	897	7,257	20,669 **	21,993	23,370	22,301	31,209	29,676	24,754
Adult/Community Services:										
Enrollments	2,469	2,320	968	1,180	1,391	1,393	2,006	2,006	1,946	2,472
Pass Sales	232	230	281	191	210	174	147	147	101	22
Facility Rentals	1,243	1,245	2,560	3,856	4,224		2,393	2,393	1,384	1,397
Zumba POS									230	104
Youth Services:										
Enrollments	3,853	4,080	5,200	7,163	11,538	7,535	4,653	4,696	4,591	12,161

* In fiscal year 2011-12, the Recreation Department implemented a new registration system that records some activities differently than in previous years. The new method will continue in future years.
** Reports each date a person and/or organization has rented an aquatics facility.
*** Now includes daily lunches served at Senior Center (15,458 in FY 13)

Source: City of El Cerrito

CITY OF EL CERRITO
Capital Asset Statistics by Function/ Program
Information as available - Last Ten Fiscal Years

Function/ Program	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-2016	2016-2017	2017-2018	2018-2019
Public Works:										
Miles of streets	68	68	68	68	68	68	68	68	68	68
Street lights	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,614	1,618
Traffic signals	11	11	11	11	11	11	11	11	12	12
Culture and Recreation:										
City parks	11	11	11	11	11	11	11	11	11	11
City park acreage	32	32	32	32	32	32	32	32	32	32
Playgrounds	7	7	7	7	7	7	7	7	7	7
City trails	3	3	3	3	3	3	3	3	3	3
City trails-miles	4	4	4	4	4	4	4	4	4	4
Community center	1	1	1	1	1	1	1	1	1	1
Senior center	1	1	1	1	1	1	1	1	1	1
Performing arts center	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis court sites	6	6	6	6	6	6	6	6	6	6
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Library	1	1	1	1	1	1	1	1	1	1
Administration:										
City Hall	1	1	1	1	1	1	1	1	1	1
Recycling Center	1	1	1	1	1	1	1	1	1	1

Source: City of El Cerrito

AGENDA BILL

Agenda Item No. 7.B.

Date: February 18, 2020
To: El Cerrito City Council
From: Mark R Rasiah, Finance Director/City Treasurer, Finance Department
Subject: FY 2019-20 Mid-Year Budget Update

ACTION PROPOSED

Receive an update on City revenues and expenditures for the first six months of the fiscal year through December 31, 2019 and adopt a resolution authorizing amendment to the FY 2019-20 budget and approving new spending limits.

BACKGROUND

The City Council adopted the FY 2019-20 Budget on June 4, 2019 by Resolution No. 2019-36. This report will discuss material variances from the adopted budget and recommend mid-year adjustments as needed.

ANALYSIS

GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

Table 1 below provides an overview of the major General Fund Revenue and Expenditure categories. Included in the table are the projected year-end revenues and expenses for FY 2019-20.

REVENUES (Net change - $300,000 increase)

With 50% of the year complete as of December 31, 2019, revenues are trending at 41% of budget. This is typical of revenue trends in prior years, given the timing of receipts. Based on actual revenues to date and estimates for the remaining six months of the fiscal year, staff is proposing the following changes to the General Fund revenue budget for the fiscal year. These adjustments are explained below and are included in the “Amendments” column in Table 1.

• Property Taxes and Sales Taxes: **Net change - $800,000 decrease.**
Reduce tax revenues based on annual trends through FY 2018-19. Property Tax revenues are being lowered to $10,440,000; and Sales Tax revenues to $7,100,000 due to cannabis tax collections not materializing as expected.

• Real Property Transfer Tax (RPTT): **Net change - $1,150,000 increase.**
Increase RPTT revenue. The FY 2019-20 Adopted Budget projected $850,000 in RPTT revenues for the fiscal year. Based on actual revenues to date, and in the first six months of 2019, staff is proposing that the budget be increased to $ 2.0 million for FY 2019-20.

Table 1. Fiscal Year 2019-20 General Fund Revenue, Expenditure & Fund Balance

General Fund Revenues

Revenue Category ($000s)	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual through Dec. 31-2019	FY 2019-20 Adopted	Actuals as a % of Budget	Proposed FY2019-20 Mid Year Budget Amendments	FY 2019-20 Projected
Property Taxes	9,487	9,931	4,806	10,740	45%	(300)	10,440
Sales Taxes	6,458	7,545	2,454	7,600	32%	(500)	7,100
Real Property Transfer Tax	146	1,103	1,415	850	166%	1,150	2,000
Utility Tax	2,966	3,208	1,110	3,528	31%	(100)	3,428
Franchise Taxes	1,429	1,244	531	1,650	32%	(100)	1,550
Business License Tax	847	910	889	850	105%	100	950
Other Tax	144	149	47	153	31%		153
Total Taxes	**21,477**	**24,090**	**11,252**	**25,371**	**44%**	**250**	**25,621**
Licenses & Permits	766	776	393	993	40%		993
Fines and Forfeitures	222	219	115	351	33%	(50)	301
Use of Money and Property	374	388	245	396	62%		396
Intergovernmental Revenues	4,116	4,091	1,400	3,738	37%	100	3,838
Vehicle Licensing Fees	2,499	2,654	0	2,760	0%		2,760
Charges for Services	6,099	6,934	2,922	6,222	47%		6,222
Other Revenues	231	983	77	85	91%		85
Interfund Transfers	51	1,252	471	941	50%		941
Total Revenues	**35,835**	**41,387**	**16,875**	**40,857**	**41%**	**300**	**41,157**

General Fund Expenses and Fund Balance

Expenditure Category ($000s)	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual through Dec. 31-2019	FY 2019-20 Adopted	Actuals as a % of Budget	Proposed FY 2019-20 Mid Year Budget Amendments	FY 2019-20 Projected
Personnel	27,293	29,862	15,132	31,055	49%	150	31,205
Professional Services	3,828	4,477	1,917	3,203	60%	35	3,238
Purchased Property Services	1,588	2,300	927	2,354	39%	(273)	2,081
Other Services	1,905	1,851	1,058	1,966	54%		1,966
Supplies	710	726	296	730	41%	(145)	585
Property & Capital	379	422	94	422	22%	11	433
Financing Costs	423	478	346	355	97%		355
Other Financing Uses	440	1,416	63	733	9%	(40)	693
Total Expenditures	**36,566**	**41,532**	**19,833**	**40,818**	**49%**	**(262)**	**40,556**
Net Change in Fund Balance	(731)	(145)		39		562	601
Beginning Total Fund Balance	819	88		(57)			(57)
Ending Total Fund Balance	88	(57)		(18)			544
Fund Balance Reserve %	**0.2%**	**-0.1%**		**0.0%**			**1.3%**

Items in red indicate a decrease

• Utility User Taxes (UUTs), Franchise Fees & Business License Taxes: **Net Change - $100,000 decrease.**
Based on recent trends, staff is proposing reducing UUTs and Franchise fees by $100,000 each and increasing Business License Taxes by $100,000.

• Fines and Forfeitures: **Net change - $50,000 decrease.**
Reduce the Police Department citations and fines budget which has been impacted by officer vacancies.

• Intergovernmental Revenues: **Net change - $100,000 increase**.
Reduce Police Department School Resource Officer (SRO) reimbursement by $50,000 to $300,000 in line with the revised contract with the WCCUSD.
Increase reimbursement of Kensington Fire Department expense by $150,000 to $2,978,000 based on reimbursement trends in recent fiscal years.

EXPENDITURES (Net change - $262,000 decrease)

With 50% of the year complete as of December 31, 2019, expenses are trending at 49% of budget. Based on actual expenses to date and estimates for the remaining six months of the fiscal year, staff is proposing the following changes to the General Fund expenditure budget:

• Personnel: **Net change - $150,000 increase.**
Increase Fire Department overtime budget by $300,000, from $900,000 to $1,200,000 to bring it in line with the trend over the last three years. Reduce Police Department personnel budget by $150,000 for savings due to unfilled positions.

• Supplies: **Net Change - $145,000 decrease.**
Reduce various supply line items in the Recreation Department budget.

• Professional Services: **Net change - $35,000 increase.**
Reduce Technical Services budget for Human Resources (HR) - $20,000. Reduce Technical Services budget for City Administration - $20,000. Defer Information Technology upgrades - $50,000. Increase legal service budget for HR - $25,000.
Provide for Council approved extended library hours - $100,000.

• Purchased Property Services: **Net change - $273,000 decrease**
Defer Fire Department vehicle replacement and equipment maintenance - $160,000.
Provide for Fire Department Council approved forced weed abatement program - $103,000.
Defer Public Works Department repair and maintenance projects - $125,000.
Defer Police Department vehicle and equipment purchases - $60,000.
Reduce Police Department property services budget due to services already paid for in the last fiscal year - $31,000.

• Property and Capital: **Net Change - $11,000 increase.**
Provide for IT upgrades in the Fire Department.

• Other Financing Uses: **Net Change - $40,000 decrease.**
Reduce the retiree pension budget to match lower FY 2018-19 costs due to the demise of a pensioner last year.

GENERAL FUND BALANCE

The General Fund ended FY 2018-19 with a negative total fund balance of $56,692. This represents a decrease of about $145,000 from the ending total fund balance in the prior fiscal year of $87,570. In FY 2018-19 with City Council approval at mid-year, the City wrote off $722,585 that was owed to the General Fund by the City Housing Trust Fund and Capital Improvement Project Fund. Additionally, the City recorded a portion of sales taxes from sales at the Home Depot store located on the border with the City of Richmond amounting to $116,319 as deferred revenue rather than current revenue, in accordance with accounting standards. The combined effect of these two items if added to the General Fund, would have yielded a positive total General Fund balance of $782,212.

With the above amendments to the FY 2019-20 Adopted Budget and based on actual revenues and expenses through December 2019, staff projects an ending total fund balance of $544,000 representing a General Fund reserve ratio of 1.3% at the end of the current fiscal year.

Special Revenue Funds and Appropriations

For FY 2019-20, Special Revenue funds represent $12.1 million of the City's total adopted $52.8 million budget. The proposed amendments to Special Revenue Funds are partly the result of City Council action during the current fiscal year, and partly due to new funding needs for ongoing projects as per Table 2 below.

Table 2. Fiscal Year 2019-20 Special Revenue Fund Budget Modifications

	Mid Year Budget Amendment			
Fund	Account	Project No.	Amount	Reason for Expenditure
Capital Project	Misc. Professional Services	C4014	$205,000	TIF funds for Del Norte TOD Project Development Costs per TIF Annual Report.
	Previous City Council Approved Expenditures			Council Approval /Resolution/Date
Measure J Storm Drain	Construction Services	C5036.7	$211,331	12/17 2019-70
Street Improvement	Construction Services	C3078.3	$353,000	1/21/20 Meeting Approval (Eureka & Lexington)
Capital Project	Construction Services	C3078.3	$200,000	1/21/20 Meeting Approval (Eureka & Lexington)
Integrated Waste Management	IWM Fees		$665,088	6/4 2019-35, 6/18 2019-9 & 12/17 2019-72
Integrated Waste Management	Recycling Revenues		($105,000)	6/4 2019-35, 6/18 2019-9 & 12/17 2019-72
Integrated Waste Management	Misc Prof Svcs		$34,550	6/4 2019-35, 6/18 2019-9 & 12/17 2019-72
Integrated Waste Management	Solid Waste Services		$246,635	6/4 2019-35, 6/18 2019-9 & 12/17 2019-72

• <u>SLESF Grants</u>: A fund (COPS Fund) was created in FY 2013-14 to account for the annual grant money received by the Police Department from the State's Supplemental Law Enforcement Services (SLESF) Fund. This money can only be used for front line law enforcement expenses and in recent years the Police Department has used these grant funds for communication equipment upgrades, body-worn cameras, lighting equipment upgrades, crime scene equipment, vehicles and upfits and is proposing to spend $130,000 in the current fiscal year on similar items.

Table 3 below shows the projected revenue and expenditures for all City Special Revenue Funds for FY 2019-20, the proposed amendments and projected fund balances.

Table 3. Fiscal Year 2019-20 Special Revenue Funds

Description	FY2018-19 Ending Balance	FY2019-20 Budgeted Revenue	FY2019-20 Projected/Budgeted Expenditures	Proposed FY 2019-20 Mid Year Budget Amendments	FY2019-20 Projected Ending Balance
Gas Tax Fund	(113,224)	651,495	558,229		**(19,958)**
NPDES	235,957	330,074	353,713		**212,318**
Landscape and Lighting	94,684	796,000	785,500		**105,184**
Measure J Return to Source*	62,723	452,000	671,718		**(156,995)**
Measure A Parcel Tax	365,641	646,000	626,730		**384,911**
Asset Seizure	318,572	0	0		**318,572**
Vehicle Abatement	382,094	30,000	30,900		**381,194**
SB-1 Road Repair	250,599	412,780	440,400		**222,979**
Park in Lieu Fund	0	0	0		**0**
Street Improvement Fund*	1,197,347	1,610,801	1,885,889		**922,259**
Public Arts Fund	232,364	0	0		**232,364**
Measure J - Paratransit	104,694	166,000	151,850		**118,844**
Federal, State and Local Grants	0	51,500	51,500		**0**
C.O.P.S. Grant	0	130,000	30,000	100,000	**0**
City Housing Trust	2,835,000	0	0		**2,835,000**
City LMI Housing	5,131,742	164,800	196,730		**5,099,812**
Capital Improvements*	(200,819)	1,473,500	1,468,500	205,000	**(400,819)**
Measure J Storm Drain	675,131	702,000	814,815		**562,316**
Integrated Waste Management*	1,049,356	3,390,929	3,085,091		**1,355,194**
Vehicle/Equipment Replacement	568,028	155,862	136,200		**587,690**
Employees' Pension Trust Section 401A	0	85,000	85,000		**0**
Financing Authority Measure A Debt Svc.	0	360,730	360,730		**0**
Financing Authority City Hall Debt Svc.	0	580,763	580,763		**0**
Financing Authority Street Improv. Debt Svc.	0	702,900	702,900		**0**
Total	**13,189,889**	**12,893,134**	**13,017,158**	**305,000**	**12,760,865**

*Including prior Council Action from Table 2

STRATEGIC PLAN CONSIDERATIONS

Approving the attached resolutions will allow the City Manager to develop a plan to ensure that Citywide Revenue meets the cost of providing Citywide services, including adequate reserve for unanticipated revenue shortfalls. It will further ensure procedures that represent best practices in financial management (Goal B).

ENVIRONMENTAL CONSIDERATIONS

This section is not applicable to this agenda item.

FINANCIAL CONSIDERATIONS

The City Council annually adopts a resolution that establishes spending limits by fund for each fiscal year. On June 4, 2019, the City Council through Resolution 2019-36 authorized $52,830,336 in total appropriations for FY 2019-20. However, additional spending authority is often needed to accommodate unforeseen events that may occur during the year and/or to reauthorize the use of unspent funds from the prior year. As such, for FY 2019-20, staff is proposing amendments which require a change in the spending authority totaling $1,047,616 across all funds, bringing the total appropriations for the year to $53,877,952.

LEGAL CONSIDERATIONS

Approval of the attached resolutions is required to amend the City's spending authority for Fiscal Year 2019-20.

Reviewed by:

Karen E Pinkos

Karen Pinkos, City Manager

Attachments:

1. Resolution

RESOLUTION NO. 2020-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO AMENDING THE SPENDING AUTHORITY BY FUND FOR THE CITY OF EL CERRITO FOR FISCAL YEAR 2019-20

WHEREAS, on June 4, 2019 the City Council of the City of El Cerrito adopted the Fiscal Year 2019-20 Budget with spending limits across funds (Resolution 2019-36); and

WHEREAS, changes to the spending limits throughout the year are necessary to account for unexpected opportunities, unforeseen changes, or if the City's financial position changes and additional spending authority is required to meet the needs of the City; and

WHEREAS, staff presented this update to the City Council of the City of El Cerrito for its consideration, and the City Council has reviewed and analyzed it; and

WHEREAS, proposed changes to spending authority from tax proceeds are within the City's Fiscal Year 2019-20 Gann Appropriations Limit, as defined by California State Constitution Article XIIIB.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of El Cerrito that it hereby amends the spending authority by fund for Fiscal Year 2019 -20 as follows:

General Fund	40,555,794
Gas Tax Fund	558,229
NPDES	353,713
Landscape and Lighting	785,500
Measure J Return to Source	671,718
Measure A Parcel Tax	626,730
Asset Seizure	0
Vehicle Abatement	30,900
SB-1 Road Repair	440,400
Park in Lieu Fund	0
Street Improvement Fund	1,885,889
Public Arts Fund	0
Measure J - Paratransit	151,850

Federal, State and Local Grants	51,500
C.O.P.S. Grant	130,000
City Housing Trust	0
City LMI Housing	196,730
Capital Improvements	1,673,500
Measure J Storm Drain	814,815
Integrated Waste Management	3,085,091
Vehicle/Equipment Replacement	136,200
Employees' Pension Trust Section 401A	85,000
Financing Authority Measure A Debt Svc.	360,730
Financing Authority City Hall Debt Svc.	580,763
Financing Authority Street Improv. Debt Svc.	702,900
Total	**53,877,952**

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

I CERTIFY that at a regular meeting on February 18, 2020 the City Council of the City of El Cerrito passed this resolution by the following vote:

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

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on February _____, 2020.

____
Holly M. Charléty, City Clerk

APPROVED:

____
Gregory B. Lyman, Mayor

AGENDA BILL

THE CITY OF EL CERRITO

Agenda Item No. 7.C.

Date: February 18, 2020
To: El Cerrito City Council
From: Karen Pinkos, City Manager, City Management Department
Christopher Jones, Recreation Director, Recreation Department
Subject: Discussion of City Events

ACTION PROPOSED
Discussion and possible direction to staff regarding City events.

BACKGROUND
The City of El Cerrito prides itself on the many events that are held in our City throughout the year for the benefit and enjoyment of our residents and the general public. Such events have historically been well received and attended, and have served to create and sustain a sense of place and community identity. These events range from Citywide events that attract large crowds such as the 4th of July/worldOne Festival, to neighborhood events such as National Night Out, to family events such as the Holiday Pancake Breakfast.

The July 4 Festival has been a tradition in El Cerrito for decades. It has existed in various formats large and small, including having been previously hosted by the El Cerrito Rotary and many dedicated volunteers. In recent years, the City has assumed full responsibility for the July 4 festival and has engaged the services of Corey Mason of worldOne Radio to enhance the festival with live music. The City of El Cerrito 4th of July/worldOne Festival Celebration, as it is now known, attracts attendees from across the Bay Area and is widely regarded as the City's signature community event. The admission-free, family-friendly event includes live entertainment, a children’s fun area with carnival games, jump houses, face painting, and rides, arts and crafts vendors, the El Cerrito Art Association Art Show & Sale, a food court with many food options, and vendor booths by local business and service groups.

City events require varying levels of staff time and resources with respect to planning, procurement of vendors, supplies, and equipment, and staffing the events. While volunteers are utilized to assist in many of these events, staff are still required to oversee the events, assign appropriate coverage, and facilitate payment of costs. While these events are beloved by the community and City staff alike, staff is sensitive to the costs involved in hosting the events especially in light of the financial challenges the City faces.

At the February 4, 2020 City Council meeting, staff discussed various ideas for potential reductions in the upcoming FY 2020-21 and FY 2021-22 biennial budget. One of the items discussed was the 4th of July/worldOne Festival, by far the City's largest and most costly event. The City Council asked staff to provide an analysis of City events in general and to further discuss whether to move forward with events or consider including events as reductions.

ANALYSIS
City staff has gathered data from all City departments regarding their participation in Citywide events in 2019 in order to analyze the costs involved, including expenses, staff time, overtime, and any revenues generated from these events. The top events by scope (i.e. multi-departmental) and cost include 4th of July/worldOne Festival, Earth Day, the Martin Luther King Jr. Day Parade and Rally, National Night Out, Tri-City Safety Day, Bike to Work Day, and Loving Day. These seven events totaled $107,559 in net City costs, as shown in Table 1.

Table 1: Citywide Multi-departmental Events, 2019

Event	Revenue	Non-Staff Expenses	Staffing Costs	Total Net Cost to City
4th of July/worldOne	$76,500	$108,240	$27,989	$59,729
National Night Out	0	717	13,563	14,280
MLK Day Parade/Rally	0	3,500	8,548	12,048
Earth Day	645	3,600	4,180	7,135
Tri-City Safety Day	0	700	5,912	6,612
Bike to Work Day	0	1,500	3,269	4,769
Loving Day	0	500	2,486	2,986

Currently, the 4th of July/worldOne Festival is a two-day event and the net cost to the City in 2019 was $59,729. Should the City Council decide to direct staff to move forward with the Festival in 2020, staff believes that we can reduce the net cost of the event. Staff proposes that this could be accomplished by the following:

—Condense event to one day on July 4
—Reduce hours from 10am to 6pm to 11am to 5pm
—Reduce day-of-event expenses by reviewing staffing and achieving efficiencies
—Increase day-of-event revenue including vendor fees and evaluating opportunities for increased cost recovery at City-run booths
—Explore opportunities for increased sponsorship and donations

Expenses for the 2020 4th of July/worldOne Festival that take effect during FY 2019-20 are included within the current operating budget. In the upcoming biennial budget, staff will further evaluate the costs and revenues associated with this event with a goal toward a cost-neutral event in future years. Additionally, staff will continue to review the other Citywide events (most of which will take place after the current fiscal year) and work to reduce costs as well.

City staff has received feedback from many community members regarding the 4th of July/worldOne Festival as well as other events. Most have expressed support for continuing to host the Festival, even if in a reduced format. Some community members, while supportive of the Festival and other events, also expressed concern about the costs and suggested a suspension of City events including 4th of July/worldOne for the immediate future. At the February 12, 2020 Strategic Plan Open House, participants were invited to rank the value of several City events, and of the 42 responses received, 32 ranked the 4th of

July/worldOne Festival at high/highest value, far exceeding the other events. National Night Out and the MLK Day Parade/Rally were the next most valued events.

STRATEGIC PLAN CONSIDERATIONS

Consideration of cost and value of City events is consistent with Goal A: Deliver exemplary government services, Goal B: Achieve long-term financial sustainability, and Goal C: Deepen a sense of place and community identity.

ENVIRONMENTAL CONSIDERATIONS

This section is not applicable to this agenda item.

FINANCIAL CONSIDERATIONS

As shown in Table 1, the top events for the City generate costs of approximately $107,559. Of these, the 4th of July/worldOne Festival generates a net cost of $59,729 and is the only top Citywide event that generates substantial revenue to cover its full costs of $136,239. The other top Citywide events together total $47,830 in costs.

Staff will further evaluate all event costs and value of hosting the events, including minor events not listed here, to determine how expenses can be reduced and/or revenues increased.

LEGAL CONSIDERATIONS

This section is not applicable to this agenda item.

Reviewed by:

Karen E Pinkos

Karen Pinkos, City Manager

Attachments:

THE CITY OF
EL CERRITO

SUPPLEMENTAL AGENDA MATERIALS

CITY COUNCIL MEETING
February 18, 2020

AGENDA ITEM 3 – ORAL COMMUNICATIONS FROM THE PUBLIC

AGENDA ITEM 7(A) – Transmittal of the Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2019

1. Presentation

AGENDA ITEM 7(B) – FY 2019-20 Mid-Year Budget Update

1. Presentation

CITY HALL 10890 San Pablo Avenue, El Cerrito, CA 94530
Telephone (510) 215-4305 Fax (510) 215-4379 http://www.el-cerrito.org

El Cerrito Historical Society

Goals for 2020 and Accomplishments of 2019

January 26, 2020

Goals for 2020

Preservation ordinance. The society will work with city planners and historical consultants to develop a survey of historic places in El Cerrito and consider establishing a preservation ordinance.

Programs: Our first program of the year is devoted to Pumpsie Green of El Cerrito, the first black player to play with the last major league baseball team to integrate, the Boston Red Sox. Later in the year we are planning programs dealing with the city's African-American community, local newspapers that (once) covered the news in El Cerrito, an architectural walking tour, a how-to program about delving into your family's roots through genealogy, and more.

We also hope to present a **Pioneer Day** event, an event we have not done since 2014 but has been one of the best we do – inviting longtime members of the El Cerrito community, specifically, those born in 1940 or earlier, to tell us about themselves and the earlier days on town, and to enjoy a celebration. Joanne Rubio and Tom Panas are seeking participants. Interested? Let us know!

We will again be participating in the Hillside Festival, with a history of the Hillside Natural Area hike in the early evening of May 1.

Increase research. We hope to do more research into El Cerrito's history this year, and to encourage other members of the community to use our collections and other materials to do the same.

Space for our collections. The society has a wonderful office and archive room in city hall, the Shadi Room. But as our collections expand we need more space. We continue to investigate possibilities.

Adding material to a revamped website. We plan to beef up our website with more historical articles and photos, and to link to films of local historic interest.

Oral histories. The society has been working to do oral histories with people important in our town, including video oral histories, with the goal of making these available online.

Expand and widen participation in the society including on the board. The society is working to recruit people from a variety of cultures and ages to take part in our work, from leading tours and doing research to providing input and serving on the board. Interested? Let us know!

Accomplishments in 2019

Programs/exhibits. The society put on seven successful programs during 2018. These included two talks and one reception related to the Year of Creedence Clearwater, the 50^{th} anniversary of the El Cerrito's band's ascension to rock stardom. Journalist Joel Selvin discussed Creedence at our annual meeting in January, and Grammy nominated producer Alec Palao discussed Creedence: The Early Days, in September. This was when the Golliwogs were forming the sound that led them to be hit-makers as Creedence.

We also held a reception at City Hall for the opening of Alec's exhibit of the same name. All of our Creedence events were very well attended.

In addition to the Creedence events, Ralph Boniello discussed "El Cerrito's Urban Forest: Past, Present, and Future," for one program. Chris Horn of the Society led a historic walking tour, "A Walk Through El Cerruito's Gambling History," the Society's Tom Panas led his always popular tour of Sunset View Cemetery, and Dave Weinstein led a historical walk through the Hillside Natural Area as part of the annual Hillside Festival.

The Society also took part is the annual senior City Resource Day, and Dave talked about the history of El Cerrito to the St. John Senior Center. Our table at the July 4 WorldOne Festival remains popular.

Changes on our Board of Directors and among our volunteers. We got two new board members this year. Chris Treadway, a well known East Bay journalist, was elected to the board at our annual meeting in January. John Falconer, who grew up in the city and has a strong interest in its history (and its future), was named to the board mid-year.

Longtime board member Barbara Hill left the board to care for her ailing husband. Dianne Brenner, a woman who has long been involved with city organizations, has agreed to put herself forward on our proposed slate of officers for 2020.

Christine Roed, who for many years worked with Barbara as a volunteer archivist, stepped back from that role in 2019 due to illness. Debbie Weeks, who for many years was a board member and then our webmaster, also stepped away from active volunteering.

New volunteers for the Society in 2019 include Dianne Brenner – who has handled several tasks, Ed Crowley – who handles our newsletter, emails and more, and Chris Sterba, a historian and former board member who arranged the Pumpsie Green program.

Archiving and collecting. Among notable additions to our collection this year were several adobe bricks dating to the mid 19^{th} century from the Victor Castro adobe, the original colonial settlement in the city. These came from the El Cerrito Fire Department, where they had been stored for many years.

We also received several items relating to El Cerrito's raucous past as a gambling town, including a remarkable short, silent film showing dancers singers and other performers horsing around at the Rancho Club in 1938 and '39. (The Rancho Club occupied Castro's former adobe.)

Chris Treadway, who facilitated the donation of the Rancho film from the Prelinger Archive, also donated items from two other nightclubs, a token from the El Cerrito Athletic Club and an invitation to the opening of the Hollywood Club.

Gerry and Alice Gaxiola, longtime friends of band member Tom Fogerty, donated materials including rock posters and photos, relating to Creedence Clearwater Revival.

From the estate of Mollie and Don Hazen we received material dealing with politics in El Cerrito and more, and much material about the origins and early days of the city's National Night Out events, which Mollie helped originate.

Publications. Towards the end of 2019 we initiated more regular publication of our print publication, the Forge, and pour email newsletter, Sparks (from the Forge).

Janice Castro, of the far-flung family descended from Victor Castro and his wife, Maria Luisa Antonia Martinez Arellanes, contributed a heartfelt piece about a reunion of the family in El Cerrito during its Centennial. The article combined history with a story of a proud family.

Joanne Rubio of the Society, who has researched the Castro family extensively, worked with Janice on this article.

Chris Treadway contributed an in-depth article about the birth of the Eastshore Highway in 1937, "the granddaddy of the Bay Area freeway system," which was inaugurated with a ribbon cutting in El Cerrito.

We have also begun contributing historical articles to the city's newsletter News & Views. Chris Treadway contributed "Remembering El Cerrito Baseball Greats" on former major leaguers Pumpsie Green and Ernie Broglio, who died within 24 hours of each other in July. They had been teammates of the El Cerrito High Gaucho team.

Research and the Shadi Room. Throughout the year, we maintain the Shadi Room in City Hall as our headquarters and place for research, were anyone interested in local history can visit. We have extensive archives, a photo collection, books, document, even a few small exhibits. The Shadi Room is open on the third Thursday of the month from 4:30 to 6 p..m., and by appointment. Tom Panas oversees the Shadi Room. He and Joanne Rubio engage in research that expands our knowledge of El Cerrito's past, and go out of their way to speak to longtime members of our community.

Outreach and Communications. John Falconer created a Facebook page for the Society, and Chris Treadway has contributed much material. Ed Crowley has much improved our Sorks newsletter and keeps members and friends of the Society up-to-date with our doings through e-mails. John has also created a YouTube channel for the Society which includes, among other items, films of both of our Creedence programs in 2019.

Contra Costa Florist restoration and historical signage won the Governors Preservation Award. Dianne Brenner wrote a nomination for this award, which was granted to us at the end of 2019. The awards ceremony was January 22, 2020. The preservation of this former Japanese-American Florist shop, at 10860 San Pablo Avenue, was deemed "an outstanding example of historic preservation efforts on behalf of California's heritage" by Julianne Polanco, the state's historic preservation officer. The shop has been incorporated into the Hana Gardens senior Apartments. It is one of five winners this year.

RECEIVED
AT THE MEETING OF
FEB 18 2020
CITY OF EL CERRITO
CITY CLERK

El Cerrito City Council Meeting Feb 18, 2020

Mayor, Councilmembers,

I am Gary Prost, Resident of El Cerrito, and member of Make El Cerrito Fire Safe.

Our group was wondering why El Cerrito has been turned down for fire risk mitigation grants when half of the city is in a Very High Fire Hazard Severity Zone. It occurred to us that, in order for the State to take El Cerrito seriously when we apply for such grants, it would help to show that the city is SINCERE about both *balancing its budget* AND *reducing fire risk*.

To further those goals, and taking to heart your request for input from residents regarding the budget, I began thinking about where you could start trimming. The industry I was in, when faced with budget shortfalls, cut the travel and training budgetS long before considering cutting staff.

Bearing that in mind, I found the 2019-2020 city Budget and made a list of every line item for travel and training, subscriptions and dues, and field trips EXCEPTING POLICE and FIRE. Although most line items were in the $1,000 to $5,000 range, I was surprised and quite excited to see that eliminating those line items for one year would save the city just under $400,000. The spreadsheet with all details has been made available to each of you.

So I would suggest that this would be an easy place to start. Everyone would share the pain, we could apply more toward fire risk mitigation despite our financial distress, and it would demonstrate our serious intentions to the State.

Thank you.

El Cerrito 2019-2020 Budget

Appendix 6. Department Line Items

page	Department	Line Item	Amount	
254	City Council	Travel & Training	$ 8,240.00	
		Dues & Subscriptions	$ 10,300.00	
		Events & Field Trips	$ 18,540.00	
255	City Manager	Travel & Training	$ 15,450.00	
		Dues & Subscriptions	$ 5,150.00	
		Events & Field Trips	$ 7,210.00	
256	City Clerk	Travel & Training	$ 3,605.00	
		Dues & Subscriptions	$ 721.00	
		Events & Field Trips	$ 1,030.00	
257	Finance Dept	Travel & Training	$ 6,180.00	
		Dues & Subscriptions	$ 2,575.00	
258	Human Resources	Travel & Training	$ 5,150.00	
		Dues & Subscriptions	$ 2,060.00	
		Events & Field Trips	$ 7,210.00	
259	Information Systems	Travel & Training	$ 2,060.00	
260	Police Admin	Travel & Training		$ 97,850.00
		Dues & Subscriptions		$ 3,090.00
261	Police Operations	Travel & Training		-$ 15,450.00
262	Police Investigations	Travel & Training		$ -
		Dues & Subscriptions		$ -
263	Fire Admin	Travel & Training		$ 40,000.00
		Dues & Subscriptions		$ 14,420.00
264	Public Works-Engineering	Travel & Training	$ 8,446.00	
		Dues & Subscriptions	$ 1,030.00	
		Events & Field Trips	$ 309.00	
265	Public Works-Maintenance	Travel & Training	$ 4,120.00	
		Dues & Subscriptions	$ 2,060.00	
		Events & Field Trips	$ 5,000.00	
267	Comm. Devel-Econ Devel	Travel & Training	$ 7,725.00	
		Dues & Subscriptions	$ 5,150.00	
		Events & Field Trips	$ 8,240.00	
267	Comm. Devel-Planning	Travel & Training	$ 7,210.00	
		Dues & Subscriptions	$ 2,266.00	
		Events & Field Trips	$ 1,030.00	
268	Comm. Devel-Bldg Svcs	Travel & Training	$ 7,210.00	
		Dues & Subscriptions	$ 2,060.00	
		Events & Field Trips	$ -	
270	Recreation Dept - Admin	Travel & Training	$ 5,150.00	
		Dues & Subscriptions	$ 2,060.00	
		Events & Field Trips	$ 103,000.00	
271	Recreation - Chldr Admin	Travel & Training	$ 5,150.00	
		Dues & Subscriptions	$ 1,236.00	
		Events & Field Trips	$ 26,000.00	
272	Recreation - Swim Center	Travel & Training	$ 4,120.00	
		Dues & Subscriptions	$ 1,545.00	
		Events & Field Trips	$ 12,360.00	
274	Recreation - Senior Svcs	Travel & Training	$ 2,060.00	
		Dues & Subscriptions	$ 515.00	
		Events & Field Trips	$ 15,450.00	
275	Recreation - Adult Community	Travel & Training	$ 1,545.00	
		Events & Field Trips	$ 2,060.00	
276	Recreation - Youth Services	Travel & Training	$ 1,030.00	
		Dues & Subscriptions	$ 309.00	
		Events & Field Trips	$ 39,000.00	
279	Public Works - Engineeering Purchased Services	Travel & Training	$ 3,500.00	
280	Public Works - Maintenance Purchased Services	Events & Field Trips	$ 250.00	
282	Public Works - Maintenance Purchased Services	Travel & Training	$ 1,545.00	
301	City Manager - Environ Svcs Purchased Services	Travel & Training	$ 2,000.00	
		Dues & Subscriptions	$ 2,000.00	
		Events & Field Trips	$ 4,635.00	
		Total (minus Police & Fire)	$ 393,857.00	

Make El Cerrito Fire Safe

A community group committed to wildfire prevention and safety

February 18, 2020

To: Honorable Mayor, Greg Lyman
Honorable Mayor Pro Tem, Paul Fadelli
Honorable Council Members: Rochelle Pardue-Okimoto, Gabe Quinto, and Janet Abelson
City Manager, Karen Pinkos

From: Make El Cerrito Fire Safe Steering Committee

Subject: **Strategic Plan Priority Recommendation and Budget Considerations for FY 20/21 and 21/22**

Dear City Leaders,
As everyone knows, difficult budget decisions lie ahead for the City of El Cerrito. Make El Cerrito Fire Safe is a community group committed to wildfire prevention and safety. We have dedicated the past year and a half studying the dynamics of wildfires and the real threat wildfire poses to our beloved El Cerrito. Steering Committee members have attended a strategic plan focus group, the Saturday budget workshop, the drop-in open house to identify priorities, many city sponsored advisory committees including the Financial Advisory Board, and all city council meetings except one. We have studied the last two fiscal year budgets and the draft budget for FY 20/21. As a result of these efforts, we have a priority recommendation as part of the strategic plan and questions regarding the current budget with the potential for revenue savings and possible reallocation of funds to high priority services (public safety).

Public Safety, funding for the Fire and Police Departments, must remain a top priority with a special and separate designation for wildfire prevention and safety. Wildfires have grown larger and increased in intensity as a result of climate change and unmanaged vegetation. Cal Fire has designated a large geographical area of El Cerrito to be in a Very High Fire Hazard Severity Zone and it is a Local Responsibility Area (LRA) to finance wildfire protection efforts. Cal Fire data indicates 2,853 housing units would be at risk affecting approximately one third of the population. Due to the characteristics of wildfire, the high winds, the terrain and vegetation, the entire city of El Cerrito is at risk. El Cerrito is also at risk of an earthquake and if fire ensues as a result of broken gas lines, downed power lines, life and property may be lost. A natural disaster would have a devastating economic impact on the city and its residents. The loss of property and sales taxes would be catastrophic. The 1991 East Bay Hills Fire resulted in $1.5 billion dollars in losses ($2.83 billion in today's dollars) and put the city of Oakland in a deep recession from which it took five years to recover.

The strategic plan should designate wild fire prevention and safety a top priority for El Cerrito and a significant commitment of funds in the FY 20/21and 21/22 budgets commensurate with the efforts needed to protect residents' life and property and to keep residents' homeowners insurance at affordable levels. The draft 2020/21 budget includes increases for fire department overtime in the amount of $300,000 and an increase of $103,000 for vegetation management. Additional funding is needed to implement wildfire prevention mitigation strategies. The Governor has made wildfire protection a priority in the state budget and has earmarked millions of dollars in funding to Cal Fire. By incorporating wildfire prevention and safety as a top priority in the both strategic plan and budget, El Cerrito will position itself to better capture state funding as well as other sources of funds to implement wildfire mitigation priorities such as the ones identified by Joe McBride, Professor Emeritus, University of California, Berkeley. He is a widely recognized expert in wildfire preparation and mitigation. Make El Cerrito Fire

Safe is submitting written suggestions to the Fire Department to strengthen the scope and enforcement of the vegetation management program. This program needs to be fully staffed and enforced year round.

RECOMMENDATION: THE CITY COUNCIL ADOPT PUBLIC SAFETY AS A TOP PRIORITY FOR THE CITY OF EL CERRITO WITH A SPECIAL AND SEPARATE DESIGNATION FOR WILDFIRE PREVENTION AND SAFETY. THIS SHOULD BE REFLECTED IN BOTH THE NEW 2 YEAR BUDGET CYCLE WITH SUFFICIENT INCREASED FUNDING LEVELS AND IN THE UPDATED 5 YEAR STRATEGIC PLAN.

There are budget items in the FY 19/20 budget we have questions about and would like additional information before publicly advocating for reductions in non-essential services for possible re-allocation of funds to priority service areas (public safety).

City Management Budget:

It appears from FY 2015/16 to FY 19/20 that one position was added to the city management staff when other staffing levels in other departments remained steady during this same period. Please explain the addition of one position.

City management budget in FY 15/16 was $1,356,187 (page 54) and for the current fiscal year it is $2,350,109. This is an increase of just under a million dollars at $993,922. This represents a substantial increase and well over the standard budget increase assumption automatically built into the annual city budgets. Please account for the increase annually not just by numbers but positions and services and the justification for this increase in costs.

Consultants:

At the budget workshop, the mayor and city manager indicated the City pays higher than comparable city median salaries for staff in order to attract the best, highly skilled and educated employees. Yet city departments utilize the services of outside consultants for specialized information when there are other ways to obtain this information such as specialized training and using models from other cities. Please identify the use of all consultants during the past two fiscal years including the current fiscal year. Please list each consultant, purpose of consultation services, and costs paid to each consultant and total consultant costs annually.

Parks and Recreation:

The Parks and Recreation budget for the current fiscal year is $5,684,761 and through fees for services is self-funded at $4,256,790. $1,427,971 is funded through the general fund revenue. Which Park and Recreation services are funded by the general fund? What services would be eliminated if the Parks and Recreation budget is cut to a self-sustaining level?

Revenue:

The Fire Department spends most of its time responding to non-fire related activities such as EMS calls. Other cities obtain reimbursement for EMS calls. Many El Cerrito residents may be paying twice for medical emergency response, through their medical insurance including Kaiser and Medicare and local property and sales taxes and other fees. Make El Cerrito Fire Safe is collecting data regarding reimbursement models used by Northern California cities for EMS calls. This information will be provided to the council and city manager upon completion of the research. This issue needs to be placed on the city council agenda for action. It is time for a community discussion, debate and vote about whether this funding source is viable for El Cerrito and how much it would supplement the budget.

Thank you for your time and consideration. We would appreciate it if you would provide the requested budget information prior to the start of the budget hearings.

Sincerely,

Sue Duncan   Paul Duncan   Marlene George   Nick Zamorano

Diane Straus   Gary Prost   Dianne Brenner   Kay Starkweather

Scott Perry   Laurie Schrey   Sandra Sprague

March 13-29
Friday and Saturday at 8 pm; Sunday at 2 pm

Running time
approximately 2 hours, 15 minutes, including one intermission

Gladys, the elderly matriarch of the Green family, has run an art gallery in a small Greenwich Village hotel for many years. The management wants to replace her less-than-thriving gallery with a coffee shop. Always irascible but now increasingly erratic, Gladys is a cause of concern to her daughter, her son-in-law, and her grandson, from whose point of view this poignant memory play is told. A hilarious and heartrending look at the effect of old age on a family, *The Waverly Gallery* was recently revived to great acclaim on Broadway in a production featuring a Tony-winning performance from comedy legend Elaine May.

Feb 18, 2020

CITY OF EL CERRITO

Fiscal Year 2019 CAFR Presentation

1

AGENDA

- GF Revenue & Expenditure Summary
- Status of Long-term GF advances
- Recent GF Fund Balance History
- Pension Costs
- Net Pension Liability
- Sensitivity of NPL to Discount Rate
- OPEB Liability
- Pension Cost 30-year Projections
- Questions

2

FY 2019
GENERAL FUND SUMMARY

General Fund	2019 Actuals
Revenues	$39,353,732
Expenditures	$40,202,753
Proceeds from Sale of Land	$800,755
Other Financing Sources	$(95,996)
Change in Fund Balance	$(144,262)
Beginning Fund Balance	$87,570
Ending Fund Balance	$(56,692)

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FY 2019 CAFR
STATUS OF LONG-TERM GENERAL FUND ADVANCES

	2017 Audit	2019 CAFR
From:	Long term advances owed to GF	
City Housing Fund	250,352	-
Capital Projects Fund	950,748	-
IWM Fund	449,605	317,967
Municipal Services Corp	20,558	-
Total	**1,671,263**	**317,967**

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FY 2019 CAFR
RECENT GENERAL FUND RESERVE HISTORY

	2015	2016	2017*	2018	2019**
Non spendable Fund Balance	138,412	180,540	632,493	2,321,077	1,650,928
Unrestricted Fund Balance	1,323,100	1,713,302	186,227	(2,233,507)	(1,707,620)
Total Fund Balance	1,461,512	1,893,842	818,720	87,570	(56,692)
Total Expenditures	29,816,216	31,937,023	34,327,819	36,569,654	41,532,860
GF Reserve Ratio	**4.90%**	**5.93%**	**2.39%**	**0.24%**	**-0.14%**

* One-time adjustment for unaccrued costs -$1,282k
** One-time write off of General Fund advances - $722k

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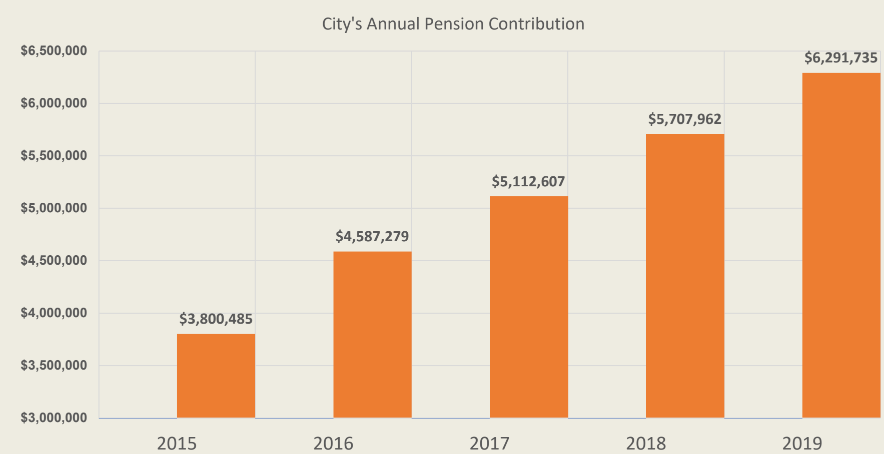
FY 2019-CAFR PENSION COSTS



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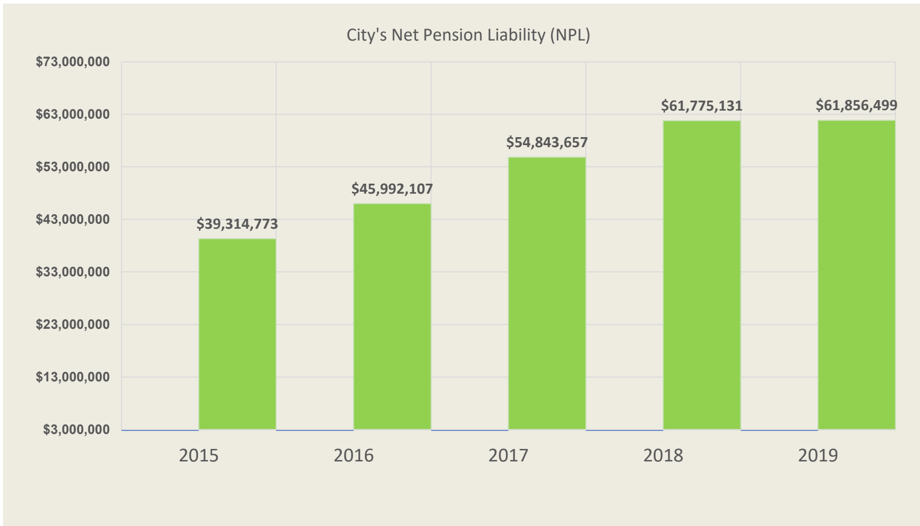
FY 2019-CAFR NET PENSION LIABILITY



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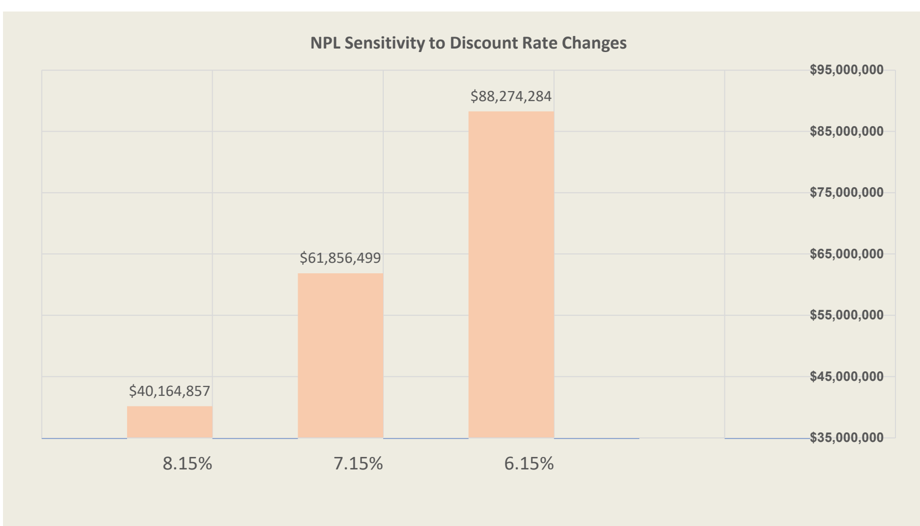
FY 2019-CAFR NET PENSION LIABILITY



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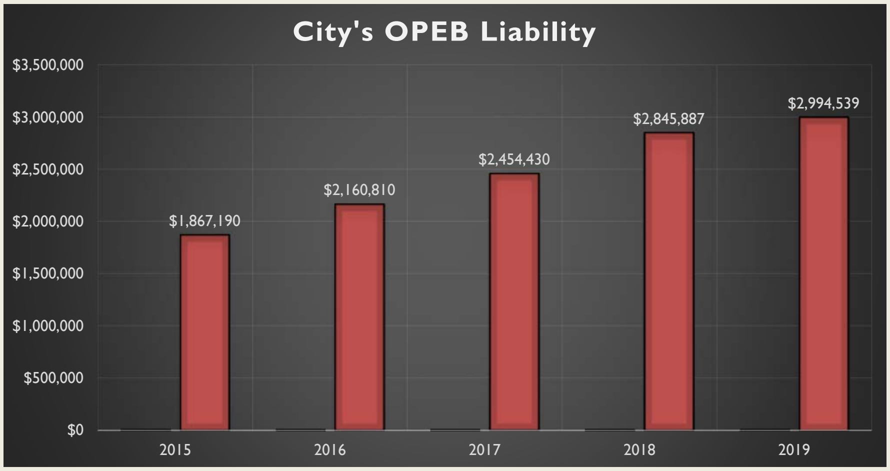
FY 2019-CAFR OPEB LIABILITY



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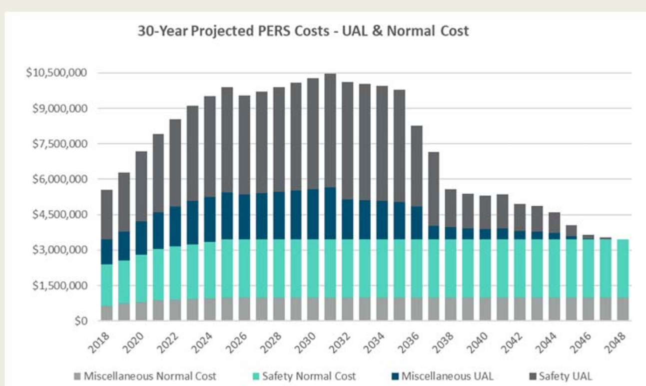
FY 2019 CAFR PROJECTED PENSION COSTS



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2019 CAFR PRESENTATION

Questions?

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Feb 18, 2020

CITY OF EL CERRITO

Fiscal Year 2019-20 Mid-Year Budget Update

1

AGENDA

- GF Revenue Amendments
- GF Expenditure Amendments & Fund Balance
- Public Safety Revenues and Costs
- City-wide General Fund Costs
- Special Revenue Funds Amendments
- Questions

2

FY 2019-20 BUDGET
GENERAL FUND PROPOSED REVENUE AMENDMENTS

Taxes	Increase/(Decrease) ($000s)
Property Taxes	(300)
Sales Taxes	(500)
Real Property Transfer Tax	1,150
Utility User Tax	(100)
Franchise Fees	(100)
Business License Tax	100
Total Taxes	250
Other Revenue	
Kensington Fire reimbursement	150
Citations & Fines	(50)
School Resource Officer reimbursement	(50)
Total Taxes	50
Net change in Revenues	**300**

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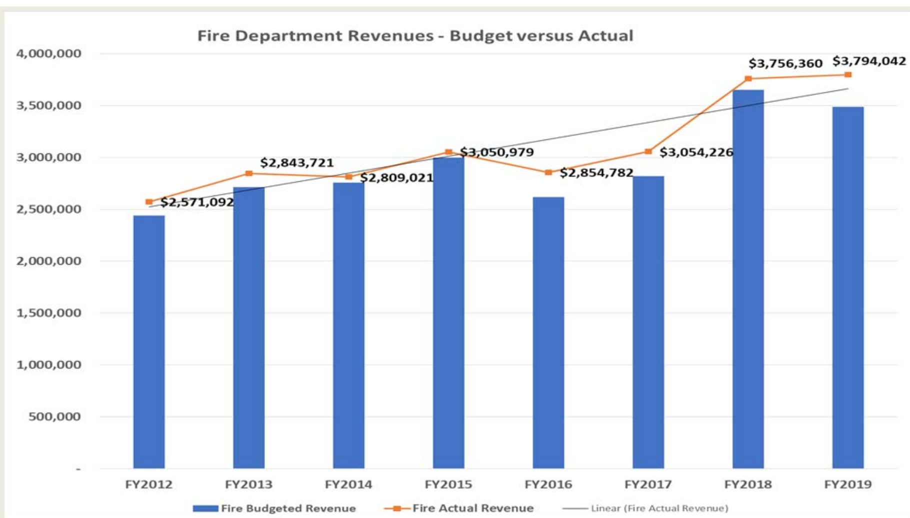
FIRE DEPT. REVENUES - BUDGET VS ACTUAL



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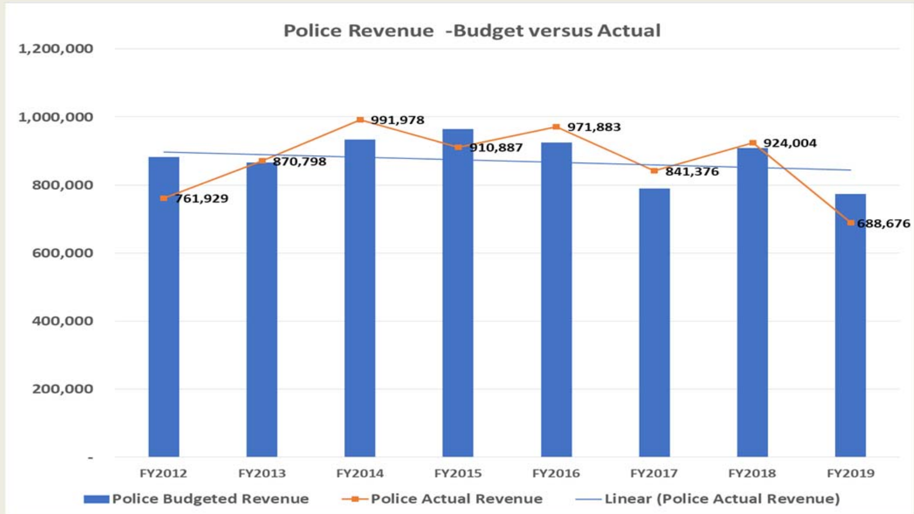
POLICE REVENUE - BUDGET VS ACTUALS



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FY 2019-20 BUDGET GENERAL FUND PROPOSED REVENUE AMENDMENTS

General Fund Revenues ($000s)

Revenue Category ($000s)	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual through Dec. 31-2019	FY 2019-20 Adopted	Actuals as a % of Budget	Proposed FY2019-20 Mid Year Budget Amendments	FY 2019-20 Projected
Property Taxes	9,487	9,931	4,806	10,740	45%	(300)	10,440
Sales Taxes	6,458	7,545	2,454	7,600	32%	(500)	7,100
Real Property Transfer Tax	146	1,103	1,415	850	166%	1,150	2,000
Utility Tax	2,966	3,208	1,110	3,528	31%	(100)	3,428
Franchise Taxes	1,429	1,244	531	1,650	32%	(100)	1,550
Business License Tax	847	910	889	850	105%	100	950
Other Tax	144	149	47	153	31%		153
Total Taxes	21,477	24,090	11,252	25,371	44%	250	25,621
Licenses & Permits	766	776	393	993	40%		993
Fines and Forfeitures	222	219	115	351	33%	(50)	301
Use of Money and Property	374	388	245	396	62%		396
Intergovernmental Revenues	4,116	4,091	1,400	3,738	37%	100	3,838
Vehicle Licensing Fees	2,499	2,654	0	2,760	0%		2,760
Charges for Services	6,099	6,934	2,922	6,222	47%		6,222
Other Revenues	231	983	77	85	91%		85
Interfund Transfers	51	1,252	471	941	50%		941
Total Revenues	**35,835**	**41,387**	**16,875**	**40,857**	**41%**	**300**	**41,157**

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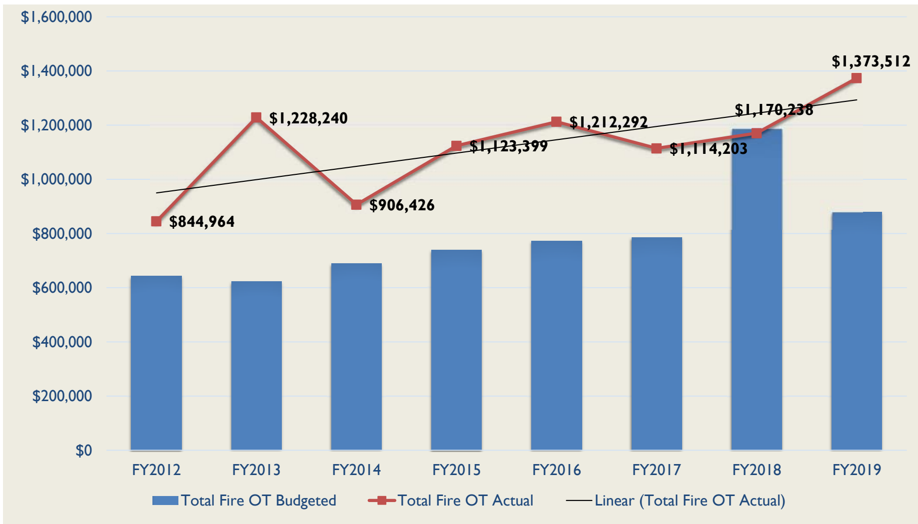
FIRE DEPT. OVERTIME COSTS - BUDGET VS ACTUAL



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FY 2019-20 BUDGET
GENERAL FUND PROPOSED EXPENDITURE AMENDMENTS

Increases	($000s)
Fire - Overtime	300
Fire - weed abatement	103
Fire - IT upgrades	11
Library - extended hours	100
HR - Legal services	25
Total Increases	539
Reductions	
City Admin - Technical servies	(20)
Finance - Pension costs	(40)
Fire - defer equipment replacement	(160)
HR - Technical services	(20)
IT Department - defer upgrades	(50)
Police - defer purchases	(60)
Police - Personnel	(150)
Police - property services	(31)
Public Works - defer R & M projects	(125)
Recreation Dept - Supplies	(145)
Total Reductions	(801)
Net change in Expenditures	**(262)**

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FY 2019-20 BUDGET
GENERAL FUND EXPENDITURES & FUND BALANCE

General Fund Expenses and Fund Balance ($000s)

Expenditure Category ($000s)	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual through Dec. 31-2019	FY 2019-20 Adopted	Actuals as a % of Budget	Proposed FY 2019-20 Mid Year Budget Amendments	FY 2019-20 Projected
Personnel	27,293	29,862	15,132	31,055	49%	150	31,205
Professional Services	3,828	4,477	1,917	3,203	60%	35	3,238
Purchased Property Services	1,588	2,300	927	2,354	39%	(273)	2,081
Other Services	1,905	1,851	1,058	1,966	54%		1,966
Supplies	710	726	296	730	41%	(145)	585
Property & Capital	379	422	94	422	22%	11	433
Financing Costs	423	478	346	355	97%		355
Other Financing Uses	440	1,416	63	733	9%	(40)	693
Total Expenditures	**36,566**	**41,532**	**19,833**	**40,818**	**49%**	**(262)**	**40,556**
Net Change in Fund Balance	(731)	(145)		39		562	601
Beginning Total Fund Balance	819	88		(57)			(57)
Ending Total Fund Balance	88	(57)		(18)			544
Fund Balance Reserve %	**0.2%**	**-0.1%**		**0.0%**			**1.3%**

Items in red indicate a decrease

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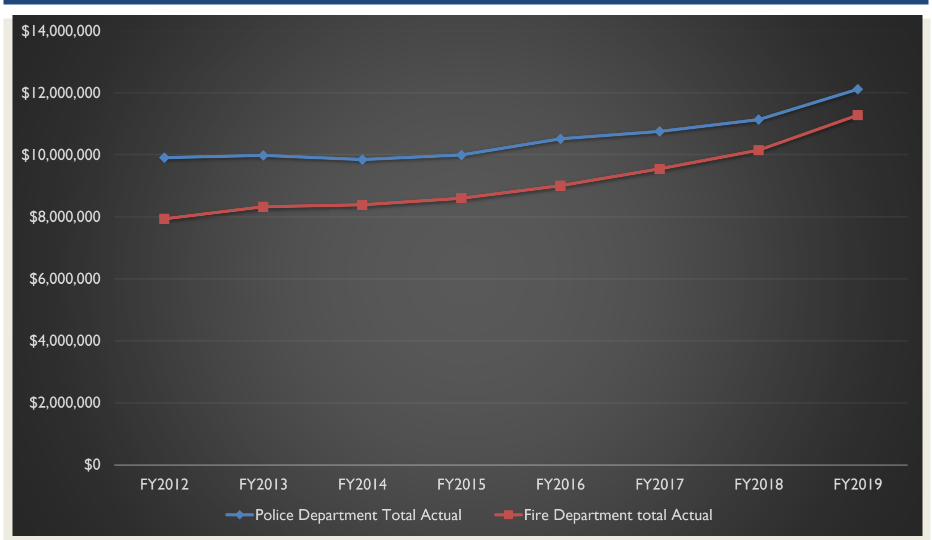
PUBLIC SAFETY COSTS 2012-2019



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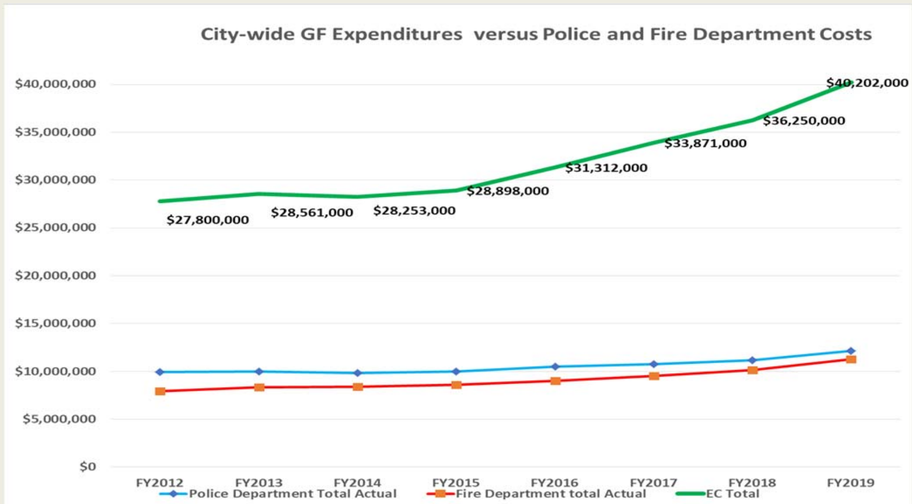
CITY-WIDE GENERAL FUND COSTS 2012-2019



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FY 2019-20 BUDGET
PW DEPARTMENT -SPECIAL REVENUE FUNDS PROPOSED BUDGET AMENDMENTS

	Mid Year Budget Amendment			
Fund	**Account**	**Project No.**	**Amount**	**Reason for Expenditure**
Capital Project	Misc. Professional Services	C4014	$205,000	TIF funds for Del Norte TOD Project Development Costs per TIF Annual Report.
	Previous City Council Approved Expenditures			**Council Approval /Resolution/Date**
Measure J Storm Drain	Construction Services	C5036.7	$211,331	12/17 2019-70
Street Improvement	Construction Services	C3078.3	$353,000	1/21/20 Meeting Approval (Eureka & Lexington)
Capital Project	Construction Services	C3078.3	$200,000	1/21/20 Meeting Approval (Eureka & Lexington)
Integrated Waste Management	IWM Fees		$665,088	6/4 2019-35, 6/18 2019-9 & 12/17 2019-72
Integrated Waste Management	Recycling Revenues		($105,000)	6/4 2019-35, 6/18 2019-9 & 12/17 2019-72
Integrated Waste Management	Misc Prof Svcs		$34,550	6/4 2019-35, 6/18 2019-9 & 12/17 2019-72
Integrated Waste Management	Solid Waste Services		$246,635	6/4 2019-35, 6/18 2019-9 & 12/17 2019-72

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FY 2019-20 BUDGET
SPECIAL REVENUE FUNDS

Description	FY2018-19 Ending Balance	FY2019-20 Budgeted Revenue	FY2019-20 Projected/Budgeted Expenditures	Proposed FY 2019-20 Mid Year Budget Amendments	FY2019-20 Projected Ending Balance
Gas Tax Fund	(113,224)	651,495	558,229		**(19,958)**
NPDES	235,957	330,074	353,713		**212,318**
Landscape and Lighting	94,684	796,000	785,500		**105,184**
Measure J Return to Source*	62,723	452,000	671,718		**(156,995)**
Measure A Parcel Tax	365,641	646,000	626,730		**384,911**
Asset Seizure	318,572	0	0		**318,572**
Vehicle Abatement	382,094	30,000	30,900		**381,194**
SB-1 Road Repair	250,599	412,780	440,400		**222,979**
Park in Lieu Fund	0	0	0		**0**
Street Improvement Fund*	1,197,347	1,610,801	1,885,889		**922,259**
Public Arts Fund	232,364	0	0		**232,364**
Measure J - Paratransit	104,694	166,000	151,850		**118,844**
Federal, State and Local Grants	0	51,500	51,500		**0**
C.O.P.S. Grant	0	130,000	30,000	100,000	**0**
City Housing Trust	2,835,000	0	0		**2,835,000**
City LMI Housing	5,131,742	164,800	196,730		**5,099,812**
Capital Improvements*	(200,819)	1,473,500	1,468,500	205,000	**(400,819)**
Measure J Storm Drain	675,131	702,000	814,815		**562,316**
Integrated Waste Management*	1,049,356	3,390,929	3,085,091		**1,355,194**
Vehicle/Equipment Replacement	568,028	155,862	136,200		**587,690**
Employees' Pension Trust Section 401A	0	85,000	85,000		**0**
Financing Authority Measure A Debt Svc.	0	360,730	360,730		**0**
Financing Authority City Hall Debt Svc.	0	580,763	580,763		**0**
Financing Authority Street Improv. Debt Svc.	0	702,900	702,900		**0**
Total	**13,189,889**	**12,893,134**	**13,017,158**	**305,000**	**12,760,865**

*Including prior Council Action from Table 2

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MID-YEAR BUDGET UPDATE

Questions?

THE CITY OF EL CERRITO

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