



## AGENDA

### REGULAR CITY COUNCIL MEETING February 2, 2021 – 7:00 p.m.

#### Members:

Mayor Paul Fadelli

Mayor Pro Tem Gabe Quinto · Councilmember Janet Abelson  
Councilmember Lisa Motoyama · Councilmember Tessa Rudnick

#### Join Via WebEx:

<https://elcerrito.webex.com/elcerrito/onstage/g.php?MTID=ec9e60cc610d95c6efa465e47e5078a19>

**Event Number:** 146 926 9036

**Event Password:** Join0202

or

**Dial In:** 1-408-418-9388

**Access Code:** 146 926 9036

*Pursuant to Executive Orders N-25-20 and N-29-20, Teleconference Restrictions of the Brown Act Have Been Suspended, as Well as the Requirement to Provide a Physical Location for Members of the Public to Participate in the Meeting.*

Members of the public can watch or listen to City Council meetings as follows:

1. Cable T.V. Broadcast on KCRT Channel 28
2. Radio Broadcast on FM 88.1 Or 97.7
3. Livestream Online at [www.el-cerrito.org/CouncilMeetingMaterials](http://www.el-cerrito.org/CouncilMeetingMaterials)
4. Via WebEx using the meeting information listed above.

Public Comments may be submitted one of two ways:

1. Via WebEx using the “[Raise Hand](#)” feature to request to speak. Each period of public comment will be announced.

**\*\*Please note** - If a member of the public can join via phone **only**, a request to speak may be submitted via email to [cityclerk@ci.el-cerrito.ca.us](mailto:cityclerk@ci.el-cerrito.ca.us). The request must contain in the subject line **Request to Speak – Agenda Item #** and must include a name and the full phone number that will be used to call in.

2. Via email to [cityclerk@ci.el-cerrito.ca.us](mailto:cityclerk@ci.el-cerrito.ca.us). Email must contain in the subject line **Public Comments – Not on the Agenda** or **Public Comments – agenda item #**.

To ensure that the City Council receives your written comments prior to taking action, they must be received by **4:00 p.m. the day of the meeting**. All written comments received by this deadline will be provided to the City Council and posted online in advance of the meeting.

Written comments received after the deadline will be provided to the City Council and included with supplemental materials after the meeting. **No written comments will be read into the record.**

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

### **1. TELECONFERENCE AND PUBLIC COMMENT INSTRUCTIONS**

### **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**

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

### **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. Black History Month Proclamation**

**Action Proposed:** Pass a motion to approve a proclamation declaring February as Black History Month in the City of El Cerrito.

**Contact:** Alexandra Orogas, Assistant City Manager, City Management

#### **B. Lunar New Year Proclamation**

**Action Proposed:** Pass a motion to approve a proclamation recognizing the cultural and historical significance of Lunar New Year in the City of El Cerrito.

**Contact:** Alexandra Orogas, Assistant City Manager, City Management

**C. Modification to Climate Action Subcommittee Assignment**

**Action Proposed:** Pass a motion to assign Councilmember Rudnick to serve on the Climate Action Subcommittee with Councilmember Abelson in place of former Councilmember Lyman.

**Contact:** Holly M. Charléty, City Clerk, City Management

**D. 2nd Reading and Adoption of Ordinance amending Section 2.04.050 and 2.04.220 regarding Rules of Order**

**Action Proposed:** Pass a motion to waive the second reading and adopt Ordinance 2021-01 amending Section 2.04.050 and 2.04.220 regarding Rules of Order.

**Contact:** Holly M. Charléty, City Clerk, City Management

**E. Urban Forest Committee Reappointment**

**Action Proposed:** Approve an Urban Forest Committee recommendation to reappoint Robin Mitchell to the Urban Forest Committee, effective March 1, 2021.

**Contact:** Stephen Pree, Environmental Programs Manager; Will Provost, Operations + Environmental Services Manager; Yvetteh Ortiz, Public Works Director/City Engineer, Public Works Department

**F. Adopt a Resolution to Set Urban Forest Committee Term Limits**

**Action Proposed:** At the direction of the City Council on 1/19/2021, adopt a resolution setting the term limits for the Urban Forest Committee to three full four-year terms.

**Contact:** Holly M. Charléty, City Clerk, City Management

**5. PRESENTATIONS**

**6. PUBLIC HEARINGS**

**7. POLICY MATTERS**

**A. FY 2020-21 General Fund Budget Update for December 2020**

**Action Proposed:** Receive and file an update on City General Fund revenues and expenses for FY 2020-21 through December 2020 and direct staff on mid-year budget modifications to the FY 2020-21 Adopted Budget.

**Contact:** Mark R. Rasiah, Finance Director/City Treasurer, Finance 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, February 16, 2021 at 7:00 p.m. via teleconference.

***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.***

- Council Meetings can be heard live on FM Radio, KECG – 88.1 and 97.7 FM and viewed live on Cable TV - KCRT- Channel 28. The meetings are rebroadcast on Channel 28 the following Thursday and Monday at 12 noon, except on holidays. Live and On-Demand Webcast of the Council Meetings can be accessed from the City's website <http://www.el-cerrito.org/CouncilMeetingMaterials> and is streamed with closed caption. 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](http://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, email [cityclerk@ci.el-cerrito.ca.us](mailto: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 11:00 p.m., unless extended to a specific time determined by a majority of the Council.

**EL CERRITO CITY COUNCIL PROCLAMATION**  
**Recognizing February as Black History Month in the City of El Cerrito**

WHEREAS, much of the City of El Cerrito's honor, strength and distinction can be attributed to the diversity of cultures and traditions that are celebrated by our residents; and

WHEREAS, African Americans have played a significant role in the history of our nation and California's economic, cultural, spiritual, and political development while working tirelessly to promote their culture and history; and

WHEREAS, as a result of their determination, hard work, and perseverance, African Americans have made valuable and lasting contributions to our community and our state, achieving exceptional success in all aspects of society including business, education, politics, science, and the arts; and

WHEREAS, in 1976, Black History Month was formally adopted to honor and affirm the importance of Black History throughout our American experience, and is full of individuals who took a stance against prejudice, advanced the cause of civil rights, strengthened families, communities, and our nation; and

WHEREAS, all Americans are encouraged to reflect on past successes and challenges of African Americans and look to the future to improve society so that we live up to the ideals of freedom, equality, and justice.

NOW THEREFORE, the City Council of the City of El Cerrito does hereby declare February as Black History Month in the City of El Cerrito, and invites everyone to recognize this month to celebrate the diversity and character of our community and highlight the importance of sharing our culture, customs and traditions with those around us.

Dated: February 2, 2021

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Paul Fadelli, Mayor

**CITY COUNCIL OF THE CITY OF EL CERRITO PROCLAMATION**  
**Recognizing the Cultural and Historical Significance of Lunar New Year in the**  
**City of El Cerrito**

WHEREAS, Lunar New Year begins on the second new moon following the winter solstice, or the first day of the new year according to the lunisolar calendar, and extends until the full moon 15 days later; and

WHEREAS, February 12, 2021, marks the first day of Lunar New Year for calendar year 2021; and

WHEREAS, Lunar New Year began in China more than 4,000 years ago and is widely celebrated in East and Southeast Asia; and

WHEREAS, Lunar New Year is often referred to as Spring Festival in various Asian countries; and

WHEREAS, the Asian diaspora has expanded the Lunar New Year celebration into an annual worldwide event; and

WHEREAS, Lunar New Year is celebrated by Asian Americans and many non-Asian Americans in El Cerrito and throughout California and the entire United States; and

WHEREAS, participants celebrating Lunar New Year travel to spend the holiday reuniting with family and friends, enjoying community activities and cultural performances; and

WHEREAS Lunar New Year is traditionally a time to wish others good fortune, health, prosperity, and happiness.

NOW, THEREFORE, the City of El Cerrito recognizes the cultural and historical significance of Lunar New Year; in observance of Lunar New Year, expresses its deepest respect for Asian Americans and all individuals in El Cerrito and throughout the world who celebrate this significant occasion; and wishes Asian Americans and all individuals who observe this holiday a happy and prosperous new year.

Dated: February 2, 2021

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Paul Fadelli, Mayor

ORDINANCE NO. 2021-01

AN ORDINANCE OF THE CITY OF EL CERRITO AMENDING SECTION 2.04.050 AND 2.04.220 REGARDING RULES OF ORDER

WHEREAS, on February 18, 2020 the City Council formed a subcommittee consisting of Mayor Lyman and Mayor Pro Tem Fadelli to review Council policy; and

WHEREAS, the subcommittee discussed and reviewed the most commonly used rules of parliamentary procedure; and

WHEREAS, Rosenberg's Rules of Order are the most aligned with the needs of a local legislative body and is aligned with the City Council's common practices in conducting public meetings; and

WHEREAS, the subcommittee agreed that the guidance for boards, commissions, and committees should align with the procedures used by City Council.

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 2.04.050 (Rules of Order) of the El Cerrito Municipal Code is hereby amended as follows (additions show in *italics* and deletions show in ~~strikethrough~~):

In case of conflict over parliamentary procedure, the council shall be governed by ~~Sturgis Standard Code of Parliamentary Procedure~~ *Rosenburg's Rules of Order*. No ordinance, resolution, proceeding or other action of the council shall be invalidated, or the legality thereof affected, by the failure or omission to observe or follow said guide.

Section 3:        Section 2.04.220(B)(7) (Conduct of Business) of the El Cerrito Municipal Code is hereby amended as follows (additions show in *italics* and deletions show in ~~strikethrough~~):

The conduct of board or commission business shall be by ~~Sturgis Standard Code of Parliamentary Procedure~~ *Rosenburg's Rules of Order*, or by rules of procedure adopted by the board or commission. Failure to follow the applicable rules of procedure shall not invalidate an otherwise valid action of a board or commission.

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 January 19, 2021 and passed by the following vote:

AYES:                Mayor Fadelli; Mayor Pro Tem Quinto; Councilmembers Abelson, Motoyama and Rudnick  
NOES:                None  
ABSENT:            None  
ABSTAIN:           None

ADOPTED AND ORDERED published at a regular meeting of the City Council held on February 2, 2021 and passed by the following vote:

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

APPROVED:

\_\_\_\_\_  
Paul Fadelli, Mayor

ATTEST:

\_\_\_\_\_  
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. 2021-01 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 2<sup>nd</sup> day of February, 2021; 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 February, 2021.

\_\_\_\_\_  
Holly M. Charléty, City Clerk





## AGENDA BILL

Agenda Item No. 4.E.

**Date:** February 2, 2021  
**To:** El Cerrito City Council  
**From:** Stephen Pree, Environmental Programs Manager; Will Provost, Operations + Environmental Services Manager; Yvetteh Ortiz, Public Works Director/City Engineer, Public Works Department  
**Subject:** Urban Forest Committee Reappointment

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### **ACTION PROPOSED**

Approve an Urban Forest Committee recommendation to reappoint Robin Mitchell to the Urban Forest Committee, effective March 1, 2021.

### **BACKGROUND**

On January 4, 2021, the City received an application from Robin Mitchell for reappointment to the Urban Forest Committee (UFC). At its regular meeting on January 11, 2021, the UFC voted unanimously in favor of a motion to recommend to the City Council that Ms. Mitchell be reappointed to the UFC.

### **ANALYSIS**

Ms. Mitchell has served on the Urban Forest Committee since September 2019, filling a partial UFC term vacated by a previous UFC member. She has been an active committee participant in planning UFC activities, serving on ad-hoc subcommittees, and adding her perspective as a native plant and ecology enthusiast.

Ms. Mitchell has been an El Cerrito resident for over eighteen years, during this time, she has demonstrated her commitment to serving the community through her two terms on the City's Park and Recreation Commission, as well as her work with the El Cerrito Community Garden Network and the El Cerrito Garden Club. She participates regularly in City events to promote education about gardening and the natural world. Ms. Mitchell is interested in the "ecosystem benefits of trees" as well as the positive effects that trees and the urban forest have on human health and she hopes to help improve the condition of the City's urban forest for the benefit of all. Her skills include managing software development projects, plus organizational and communication skills. She has a Bachelor of Arts degree in Science, Technology and Public Affairs and a Master of Architecture degree; she currently serves as the Recording Secretary of the East Bay Chapter of the California Native Plant Society.

### **STRATEGIC PLAN CONSIDERATIONS**

The work of the UFC members helps the City achieve Goal C of the El Cerrito Strategic Plan to "Deepen a sense of place and community identity" and Goal F to "Foster environmental sustainability citywide."

As stated in its enabling Resolution 2007-96, the Committee was established to assist the City in its “stewardship of its urban forest, including establishing a citywide commitment to a healthy, growing forest, and creating a coordinated, high quality forestry management program.”

**ENVIRONMENTAL CONSIDERATIONS**

The Urban Forest Committee supports the City in developing programs and policies that help protect the local environment, while also engaging in activities that have a direct impact on trees and environmental quality (e.g. tree planting).

**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:**

Application(s) on file with the City Clerk

RESOLUTION NO. 2021-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO SETTING TERM LIMITS OF THE URBAN FOREST COMMITTEE

WHEREAS, the Urban Forest Committee (formerly named the Tree Committee) was established in 2007; and

WHEREAS, the City Council established the Urban Forest Committee (Committee) to serve in an advisory capacity to the City Council and residents the proper planting, growth and maintenance of trees throughout the City; and

WHEREAS the duties and responsibilities of the Tree Committee also include recommending programs, policies, and ordinances to implement the Urban Forest Management Plan and to foster public awareness, education, interest, and support for urban forestry efforts; and

WHEREAS, terms of service are set by the City's Municipal Code section 2.04.220(B)(3) at four years commencing on March 1, and limited to two consecutive full four-year terms, unless otherwise specified in the enabling legislation; and

WHEREAS, on January 19, 2021 the City Council discussed term limits of the Committee at the request of the current members and the council liaison and provided staff direction to return with a modification to term limits for the Committee.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of El Cerrito hereby sets the term limits for the Urban Forrest Committee to three full four-year terms.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon its passage and adoption.

I CERTIFY that at a regular meeting on February 2, 2021 the City Council of the City of El Cerrito passed this Resolution by the following vote:

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

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on February 2, 2021.

\_\_\_\_\_  
Holly M. Charléty, City Clerk

APPROVED:

\_\_\_\_\_  
Paul Fadelli, Mayor



## AGENDA BILL

Agenda Item No. 7.A.

**Date:** February 2, 2021  
**To:** El Cerrito City Council  
**From:** Mark R. Rasiah, Finance Director/City Treasurer, Finance Department  
**Subject:** FY 2020-21 General Fund Budget Update for December 2020

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### **ACTION PROPOSED**

Receive and file an update on City General Fund revenues and expenses for FY 2020-21 through December 2020 and direct staff on mid-year budget modifications to the FY 2020-21 Adopted Budget.

### **BACKGROUND**

The El Cerrito City Council adopted an Annual Budget for FY 2020-21 on June 16, 2020, followed by an Amended Budget on October 6, 2020. The Council has been closely monitoring the City's budget and financial position over the past several months during the COVID-19 closure of the City and has directed staff to provide a monthly General Fund budget update which is to include an Income Statement, Balance Sheet, and Cash Flow projection. This report will discuss material variances if any, from the Amended Budget and the City's fiscal position. Staff is proposing a draft list of budget modifications to the Adopted Budget at mid-year as shown in Attachment 4. These modifications are being proposed based on revenue and expenditure trends in the first six months of the fiscal year. Staff is seeking City Council guidance in preparing the final list of budget modifications for Council approval at the February 16th City Council meeting.

### **ANALYSIS**

The General Fund Income Statement in Attachment 1 provides a summary of the major General Fund Revenue and Expenditure categories through December 2020. Monthly revenue and expenditure projections are based on the Amended Budget for the year and known revenue trends for the major revenue components. The draft General Fund Balance Sheet and Cash Flow Forecast statements are presented in Attachments 2 and 3. Draft proposed budget modifications are shown in Attachment 4.

The following are some of the highlights on a cash basis through December with 50% of the year complete:

1. Total revenue was \$17.5 million or 44% of budget. This compares with an average of \$15.0 million for the same time frame over the preceding 3 years. The increase is mainly due to higher than budgeted Real Property Transfer Tax revenues in 2020.
2. Total expenditure was \$19.5 million or 50% of budget, compared with a three year average of \$19.8 million.

3. Personnel costs of \$15.7 million include reimbursable Fire Department OES overtime costs of \$850,000 versus a budget of \$350,000. The budget for this cost and the corresponding reimbursement will be amended at mid-year as shown in Attachment 4. OES reimbursements are expected in Spring 2021 and have been factored into the Cash Flow Forecast in Attachment 3.
4. On an adjusted budget basis, recognizing the timing lags in revenue sources, revenues were \$1.0 million under budget and expenses were \$398,000 under budget.
5. Real Property Transfer Tax receipts through December continue to exceed expectations by \$800,000. Receipts have been trending at a monthly average of nearly \$335,000, versus an expectation of \$200,000 per month.
6. Charges for Services are currently running \$1.0 million behind expectations, mainly due to lagging Recreation program revenues (\$838,000 to date), which are trending significantly behind budget due to the ongoing pandemic related restrictions. The Recreation Director presented a revised revenue forecast to City Council in December. The forecast anticipated \$2.4 million in revenues versus a budget of \$3.9 million - a \$1.5 million shortfall. This will be partly mitigated by Recreation Department expenditure reductions to the tune of \$0.9 million as shown in Attachment 4, leaving a \$0.6 million shortfall.
7. The Cash Flow Forecast has been amended to reflect revised revenue and expenditure estimates that will be brought back to Council at mid-year on February 16th.
8. The amended Cash Flow Forecast projects a cash balance of \$9.3 million at the end of the fiscal year and a projected General Fund surplus of \$0.3 million.

### **Impact on General Fund Balance**

The City has been working with Badawi Associates, our independent auditor, to complete the Comprehensive Annual Financial Report (CAFR) for FY 2019-20, which will be presented to the City Council within the next month. The General Fund Balance will once again be in a deficit position, as expected, because of the impacts of COVID-19. However, the deficit is much lower than was originally projected: staff had projected a deficit of at least -\$2.3 million, yet the audited ending fund balance will be -\$110,000. This is due to better than expected deferred sales tax revenue receipts (largely thanks to the City's share of the County pool for online sales), the Real Property Transfer Tax revenues exceeding expectations, and the expense reductions implemented by staff prior to the end of FY 2019-20. While this is a positive development, the fact remains that the General Fund Balance is still in a deficit position.

With the proposed FY 2020-21 mid-year budget adjustments as outlined in Attachment 4, because of the \$657,000 gap the surplus would fall from \$664,000 to \$303,000, meaning that the ending General Fund Balance for FY 2020-21 would be \$192,000. This could change if more revenues are realized, however with the uncertainty that still

exists with respect to the pandemic, staff has attempted to be as conservative as possible with revenue projections.

The City must consider several issues with respect to the General Fund Balance. In order to restore the General Fund Balance to the recommended reserve goals outlined in the Fiscal Response Plan, the City must continue to implement budget strategies that will achieve these goals by 2026 or sooner. The more quickly the City is able to restore its financial health, the better our position will be for funding and providing services to our residents. Another issue that the City must consider is the \$1.3 million in non-spendable funds that has been a subject of litigation with the state as a result of the dissolution of the Redevelopment Agency, which is currently unresolved. Additionally, the ongoing impacts of COVID-19 still present major uncertainties with respect to projecting current and future budgets. These issues all point to the City continuing to carefully monitor the budget and make adjustments accordingly.

### **STRATEGIC PLAN CONSIDERATIONS**

This report is consistent with the City's Strategic Plan Goal B - Achieve long-term financial sustainability— and will allow the City Manager to develop a plan to ensure that Citywide Revenue meets the cost of providing Citywide services, including adequate reserves in the face of significant unanticipated revenue shortfalls. It further ensures procedures that represent best practices in financial management.

### **ENVIRONMENTAL CONSIDERATIONS**

This section is not applicable to this agenda item.

### **FINANCIAL CONSIDERATIONS**

- The General Fund Balance at the end of FY 2019-20 was a negative \$110,000 versus a projected \$2.3 million deficit. This represents an improvement of about \$2.2 million over projections made in April 2020, mainly due to higher than expected deferred sales tax and Transfer tax revenues.
- The General Fund is projected to end the year with a \$657,000 net deficit (revenue less expenses) due to the continuing pandemic closures and restrictions that are impacting the Recreation Department.
- The projected year-end General Fund surplus for the year is \$303,000 which incorporates the above net deficit. The original budgeted surplus was \$664,000.
- The proposed mid-year modifications take into account all Personnel and non-Personnel cost reductions taken through the end of January 2020.
- Should the City Council wish to maintain the original budgeted surplus of \$664,000 as adopted in the FY 2020-21 budget, City staff will prepare further reductions to be included with the mid-year budget adjustments.

### **LEGAL CONSIDERATIONS**

This section is not applicable to this agenda item.

**Reviewed by:**

A handwritten signature in blue ink that reads "Karen Pinkos". The signature is written in a cursive, flowing style.

Karen Pinkos, City Manager

**Attachments:**

1. General Fund Income Statement
2. General Fund Balance Sheet
3. General Fund Cash Flow Forecast
4. Proposed Budget Modifications

**DRAFT FY 2020-21 General Fund Statement of Revenues Expenditures for July to Dec. 2020.**

Revenues (\$000s)	FY 2018-19 Audited	FY 2019-20 Draft Audited	Year to Date		Variance from	FY 2020-21 Adopted Budget	Year to date actuals as a % of Budget	Comments
			Actuals July- Dec 2020	Budget Expectations	Budget Expectations Fav./ (Unfav.)			
<b>Taxes</b>								
Property Taxes	10,182	9,840	5,070	5,160	(90)	10,440	49%	\$3.5 million in April. Bal in Jan & June
Sales Taxes	7,545	6,975	3,026	3,250	(224)	6,450	47%	Through November with est. December
Utility Tax	3,208	3,166	1,228	1,350	(122)	3,200	38%	Through November
Property Transfer Taxes	1,102	3,467	2,008	1,200	808	2,400	84%	Through Dec.
Franchise Taxes	1,244	1,587	377	520	(143)	1,250	30%	Through Nov.
Business License Tax	910	919	821	850	(29)	850	97%	Trickles in through June
Other Tax	149	173	46	46	-	136	34%	Through Oct. Next TOT in January
<b>Total Taxes</b>	<b>\$24,340</b>	<b>\$26,127</b>	<b>\$12,576</b>	<b>\$12,376</b>	<b>\$200</b>	<b>\$24,726</b>	<b>51%</b>	
Licenses & Permits	776	785	322	380	(58)	758	42%	
Fines and Forfeitures	219	227	68	85	(17)	170	40%	
Use of Money and Property	157	465	134	175	(41)	350	38%	
Intergovernmental Revenues	6,744	6,729	2,205	2,300	(95)	6,958	32%	\$2.8m VLF, \$1.7m Kensington: Jan-June.
Charges for Services	6,934	4,748	1,675	2,700	(1,025)	5,223	32%	Through Dec.
Other Revenues	182	118	48	48	-	253	19%	
Interfund Transfers	2,036	1,024	476	476	-	938	51%	Quarterly cost allocation
<b>Total</b>	<b>\$41,388</b>	<b>\$40,222</b>	<b>\$17,504</b>	<b>\$18,540</b>	<b>(\$1,036)</b>	<b>\$39,376</b>	<b>44%</b>	
<b>Expenditures (\$000s)</b>								
Expenditures (\$000s)	FY 2018-19 Audited	FY 2019-20 Unaudited	Year to Date		Variance from	FY 2020-21 Adopted Budget	Year to date actuals as a % of Budget	Comments
			Actuals July- Dec 2020	Budget Expectations	Budget Expectations Fav./ (Unfav.)			
Personnel	29,862	30,383	15,664	15,245	(419)	29,490	53%	Through Dec. Includes \$850k OES O/T
Professional Services	4,487	3,702	1,163	1,600	437	3,534	33%	Through Dec.
Purchased Property Services	2,300	2,152	603	900	297	1,814	33%	Through Dec.
Other Services	1,840	1,806	1,033	900	(133)	1,833	56%	Through Dec.
Supplies	726	606	133	300	167	611	22%	Through Dec.
Property & Capital	422	413	173	228	55	456	38%	Through Dec.
Financing Costs	478	536	161	155	(6)	310	52%	Through Dec.
Other Financing Uses	1,416	697	602	602	-	665	91%	City Hall Debt Svc. Retiree Pension.
<b>Total</b>	<b>\$41,531</b>	<b>\$40,294</b>	<b>\$19,532</b>	<b>\$19,930</b>	<b>\$398</b>	<b>\$38,713</b>	<b>50%</b>	
<b>Net Change in Fund Balance (\$000s)</b>	<b>(\$143)</b>	<b>(\$72)</b>	<b>(\$2,028)</b>	<b>(\$1,390)</b>		<b>\$663</b>		



<b>City of El Cerrito</b>			
<b>DRAFT General Fund - Balance Sheet</b>	Audited <b>6/30/19.</b>	Draft Audited <b>6/30/20.</b>	Unaudited <b>12/31/20 Est.</b>
<b>Assets</b>			
Cash and Investments	4,349,089	9,016,794	4,463,637
Taxes Receivable	2,113,059	1,882,887	614,865
Accounts Receivable Net	-	32,158	21,401
Due from other funds	2,590,773	2,011,397	2,011,397
Inventory	11,772	27,737	26,670
Prepaid Expense	-	3,278	25,340
<b>Total Assets</b>	<b>9,064,693</b>	<b>12,974,251</b>	<b>7,163,310</b>
<b>Liabilities</b>			
Accounts Payable	888,579	844,570	(1,288)
Accrued Payroll	1,231,945	1,227,263	286,530
Other Accrued Liabilities	-	324,585	67,393
Short Term Note	6,000,000	9,000,000	8,659,545
Unearned Revenues	80,381	82,890	82,890
Deposit Payable	804,162	1,604,964	1,608,444
<b>Total Liabilities</b>	<b>9,005,067</b>	<b>13,084,272</b>	<b>10,703,514</b>
<b>Deferred inflows of Resources</b>			
Deferred Inflows of Resources - Unavailable Revenue	116,319	-	-
<b>Total deferred Inflows of Resources</b>	<b>116,319</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>	<b>(56,693)</b>	<b>(110,022)</b>	<b>(3,540,204)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund balance</b>	<b>9,064,693</b>	<b>12,974,251</b>	<b>7,163,310</b>

DRAFT

**FY 2020-21 Projected General Fund Cash Flows - December 2020**

(Currency: \$000s)	ACTUALS July	ACTUALS August	ACTUALS September	ACTUALS October	ACTUALS November	ACTUALS December	FORECAST January	FORECAST February	FORECAST March	FORECAST April	FORECAST May	FORECAST June	PROJECTED YEAR END	FY21 Adopted Budget
<b>Beginning Balance</b>	\$9,017	\$6,789	\$5,451	\$4,552	\$4,393	\$3,269	\$6,102	\$6,886	\$6,080	\$5,097	\$7,785	\$7,894	\$9,017	
<b>Cash Receipts</b>														
Property Tax	-	-	-	261	-	4809	290	-	-	\$3,430	-	\$1,450	\$10,240	10,440
Sales Tax	-	585	556	554	845	486	535	535	535	535	535	550	6,251	6,450
Transfer Tax	-	311	-	664	418	615	200	200	200	200	200	200	3,208	2,400
Franchise Tax	-	-	95	29	253	-	112	112	112	112	112	112	1,049	1,250
Business Licenses	505	106	89	62	16	43	-	-	-	-	-	-	821	850
Utility Users Tax	87	173	134	342	234	258	300	300	300	300	300	306	3,034	3,200
Licenses and Permits	37	59	44	84	22	76	67	67	67	67	67	82	739	758
Fines and Forefeitures	13	1	6	17	14	17	5	5	5	5	5	5	98	170
Use of Property	15	33	14	40	12	20	30	30	33	35	35	35	332	350
Other Government Reimb.	-	-	742	766	108	476	300	300	300	300	300	300	3,892	3,708
Fire OES Overtime Reimbursements	-	-	-	-	-	113	-	-	-	-	900	-	1,013	450
In-Lieu Fees	-	-	-	-	-	-	1,400	-	-	-	-	1,400	2,800	2,800
Fees for Service - Other	170	17	194	287	58	110	68	68	68	68	68	69	1,245	1,245
Fees for Service - Recreation	118	73	222	53	122	251	125	145	145	374	350	436	2,414	3,978
Other Revenues/Taxes	-	8	-	22	64	-	42	42	42	42	42	45	349	389
Transfers In	-	-	-	-	-	476	-	-	-	-	-	465	941	938
TRAN Proceeds	8,660	-	-	-	-	-	-	-	-	-	-	-	8,660	
<b>Total Cash Receipts</b>	<b>\$9,605</b>	<b>\$1,366</b>	<b>\$2,096</b>	<b>\$3,181</b>	<b>\$2,166</b>	<b>\$7,750</b>	<b>\$3,474</b>	<b>\$1,804</b>	<b>\$1,807</b>	<b>\$5,468</b>	<b>\$2,914</b>	<b>\$5,455</b>	<b>\$47,086</b>	<b>39,376</b>
<b>Cash Disbursements</b>														
Personnel	\$2,129	\$2,210	\$2,172	\$2,226	\$2,320	\$3,758	\$2,165	\$2,165	\$2,165	\$2,165	\$2,165	\$3,252	\$28,892	29,140
Fire OES Overtime	-	\$133	421	236	59	\$0	-	-	-	-	-	-	\$849	350
Professional Services	91	213	222	249	109	279	262	262	262	262	262	264	2,737	3,534
Property/Other Services	408	105	141	315	66	601	297	297	297	297	297	297	3,418	3,646
Supplies	8	25	14	23	25	38	43	43	43	43	43	60	408	611
Financing Costs and Debt Service	-	18	-	36	120	12	0	-	-	-	-	124	310	310
Property and Capital	-	-	5	125	11	32	23	23	23	23	23	23	311	456
CIP - Cash Flow	-	-	20	150	150	325	225	45	45	35	50	-	1,045	1,045
CIP - Reimbursement	-	-	-	(20)	(150)	150	(325)	(225)	(45)	(45)	(35)	(50)	(1,045)	(1,045)
Transfers Out	-	-	-	-	580	22	-	-	-	-	-	60	662	665
TRAN Principal Payment	9,000	-	-	-	-	-	-	-	-	-	-	-	9,000	
TRAN Interest Payment	196	-	-	-	-	-	-	-	-	-	-	-	196	
<b>Total Cash Disbursements</b>	<b>\$11,832</b>	<b>\$2,704</b>	<b>\$2,995</b>	<b>\$3,340</b>	<b>\$3,290</b>	<b>\$4,917</b>	<b>\$2,690</b>	<b>\$2,610</b>	<b>\$2,790</b>	<b>\$2,780</b>	<b>\$2,805</b>	<b>\$4,030</b>	<b>\$46,783</b>	<b>38,712</b>
<b>Net Cash Flow Surplus/(Deficit)</b>	<b>(\$2,227)</b>	<b>(\$1,338)</b>	<b>(\$899)</b>	<b>(\$159)</b>	<b>(\$1,124)</b>	<b>\$2,833</b>	<b>\$784</b>	<b>(\$806)</b>	<b>(\$983)</b>	<b>\$2,688</b>	<b>\$109</b>	<b>\$1,425</b>	<b>\$303</b>	<b>\$664</b>
<b>Ending Balance</b>	<b>\$6,789</b>	<b>\$5,451</b>	<b>\$4,552</b>	<b>\$4,393</b>	<b>\$3,269</b>	<b>\$6,102</b>	<b>\$6,886</b>	<b>\$6,080</b>	<b>\$5,097</b>	<b>\$7,785</b>	<b>\$7,894</b>	<b>\$9,319</b>	<b>\$9,319</b>	

**Proposed FY 2020-21 Mid-Year General Fund Budget Amendments**

		(\$000s)	Comment
<b><u>Fire Department</u></b>			
<u>Source</u>	Personnel Cost Savings	530	Retirement and FF vacancies until filled
<u>Use</u>	Regular Overtime and One time payouts	-530	coverage for COVID-19, FMLA, vacancies & injuries.
	Net effect on General Fund	<u>0</u>	
<u>Source</u>	Additional OES Overtime reimbursement	550	Increase budget by \$550k from \$450k to \$1million
<u>Use</u>	Additional OES Overtime cost	-450	Increase budget by \$450k from \$350k to \$800k
	OES Equipment Mtce.	-100	Equipment, supplies and repairs on OES incidents
	Net effect on General Fund	<u>0</u>	
<b><u>Police Department</u></b>			
<u>Source</u>	Personnel Cost Savings	30	Vacancies
	Body worn camera lease	45	Pay for lease from C.O.P.S funds instead of GF
<u>Use</u>	Reduced Fines & Citations revenue	-75	Covid-19 impacted
	Net General Fund Effect	<u>0</u>	
<b><u>Recreation Department</u></b>			
<u>Source</u>	Personnel Cost savings	91	from staff reductions
	Non Personnel Cost savings	817	professional & other services, supplies,
		908	
<u>Use</u>	Reduce Charges and Program Revenues	-1565	Charges for services, use of property, program revenue
	Net General Fund Effect	<u>-657</u>	
<b><u>Revenue Adjustments</u></b>			
<u>Source</u>	Personnel cost savings	600	Staff reductions effective January 2021
<u>Use</u>	Property Tax	-200	Based on prior year trends
	Sales Tax	-200	Based on 6 month trends
	Franchise Tax	-200	Based on 6 month trends
	Net General Fund Effect	<u>0</u>	
	Combined Net General Fund Effect	<u>-657</u>	