

COMMUNITY BUDGET TOWN HALL MEETING

February 1, 2020

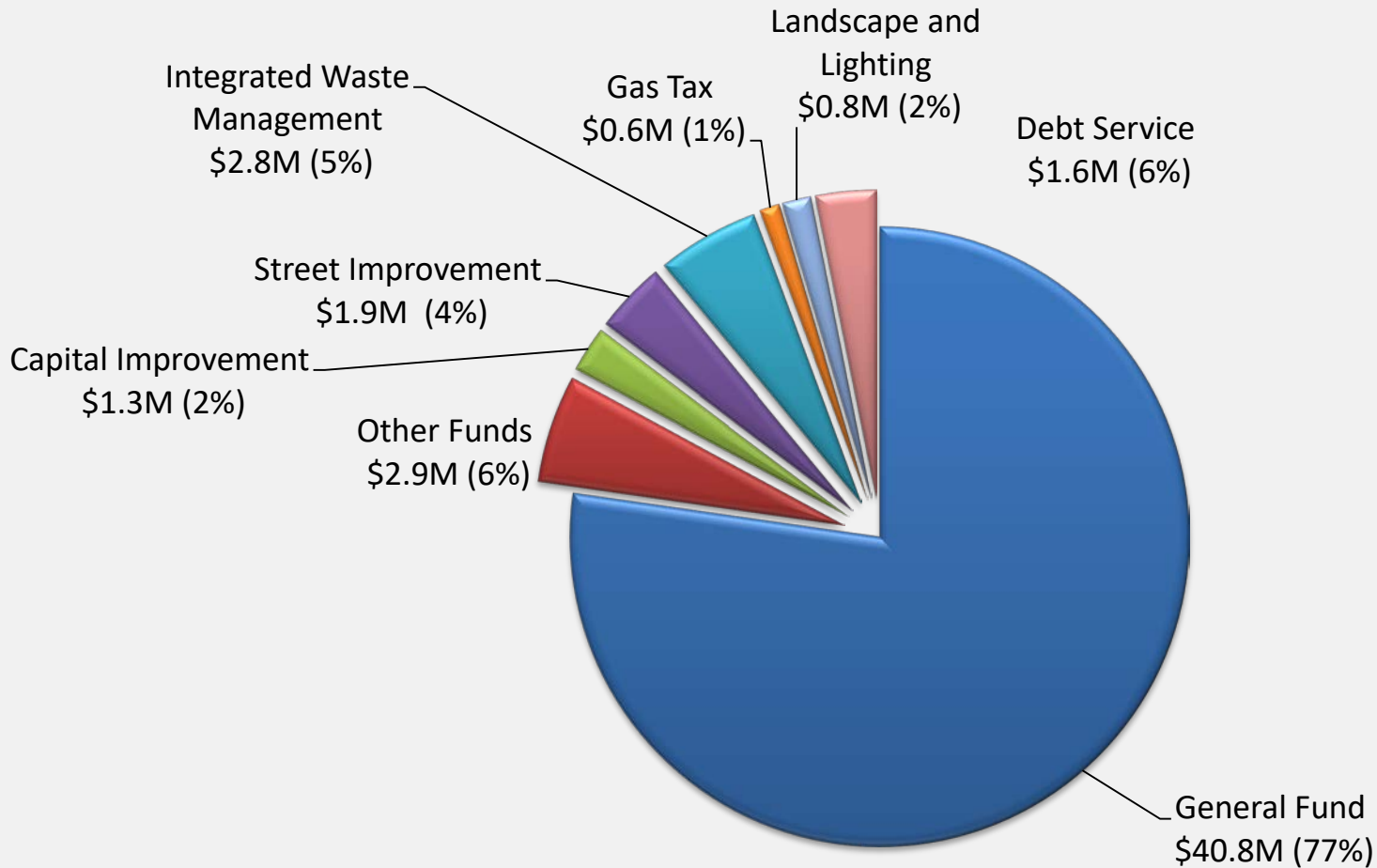
City Council Chambers



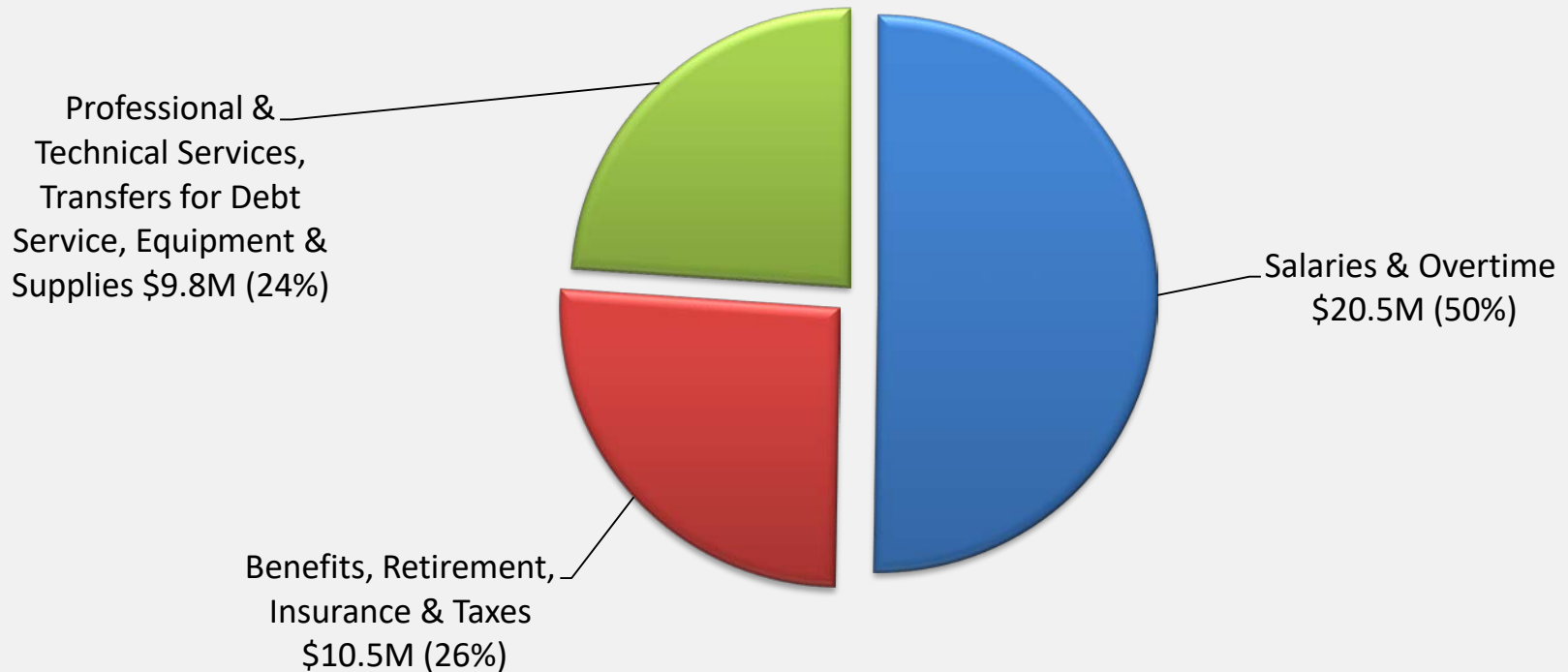
AGENDA

- City Budget Information
 - Overall Operating Budget
 - General Fund Expenditures
 - General Fund Revenues
 - General Fund Reserves
 - Current Financial Position
- Budget Challenges
 - How did we get here?
 - What have we done?
 - What are the future challenges we face?
- Questions and Answers

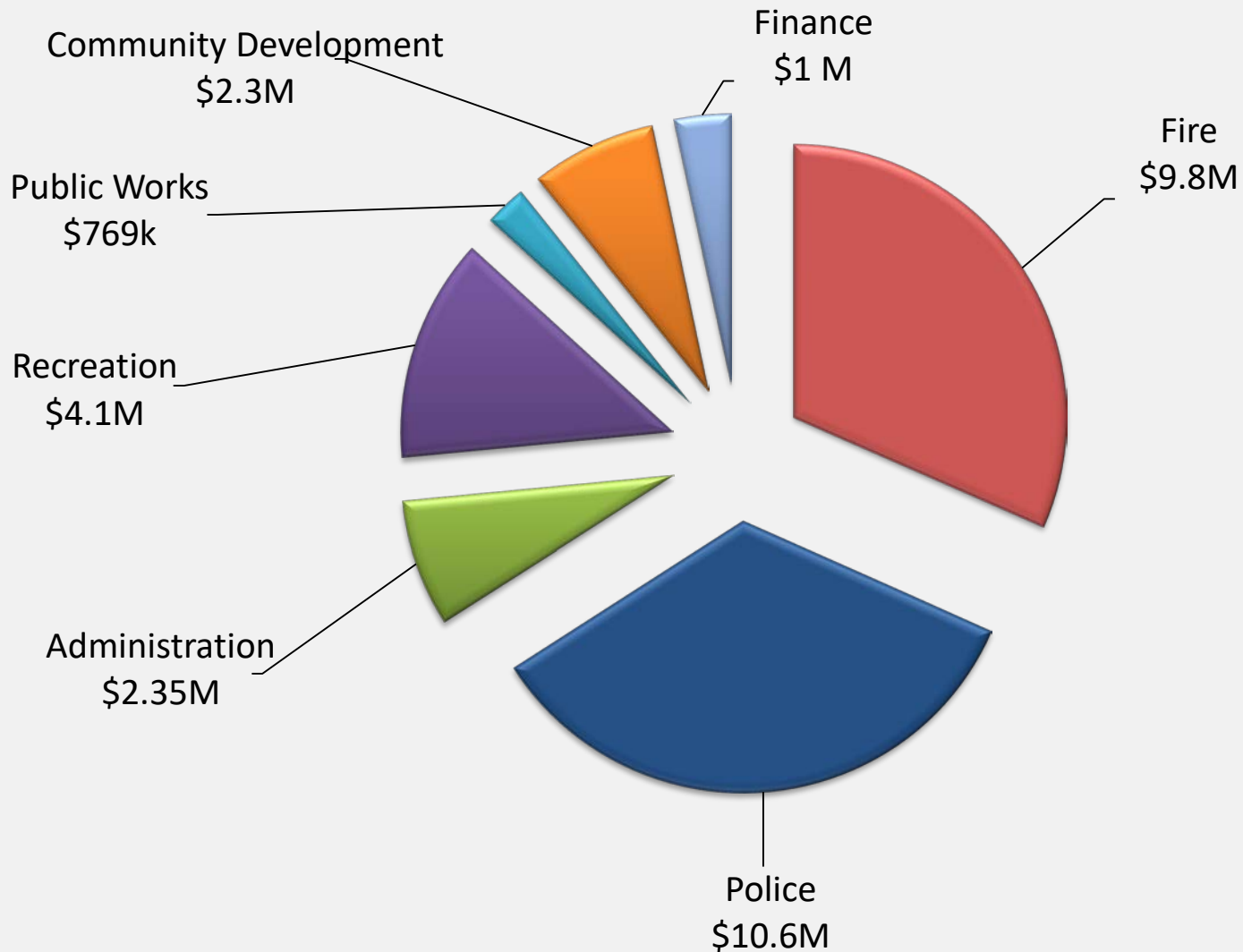
FY 2019-20 Operating Budget
Budgeted Expenditures by Fund
\$52.8M total
77% General Fund / 23% Restricted Funds



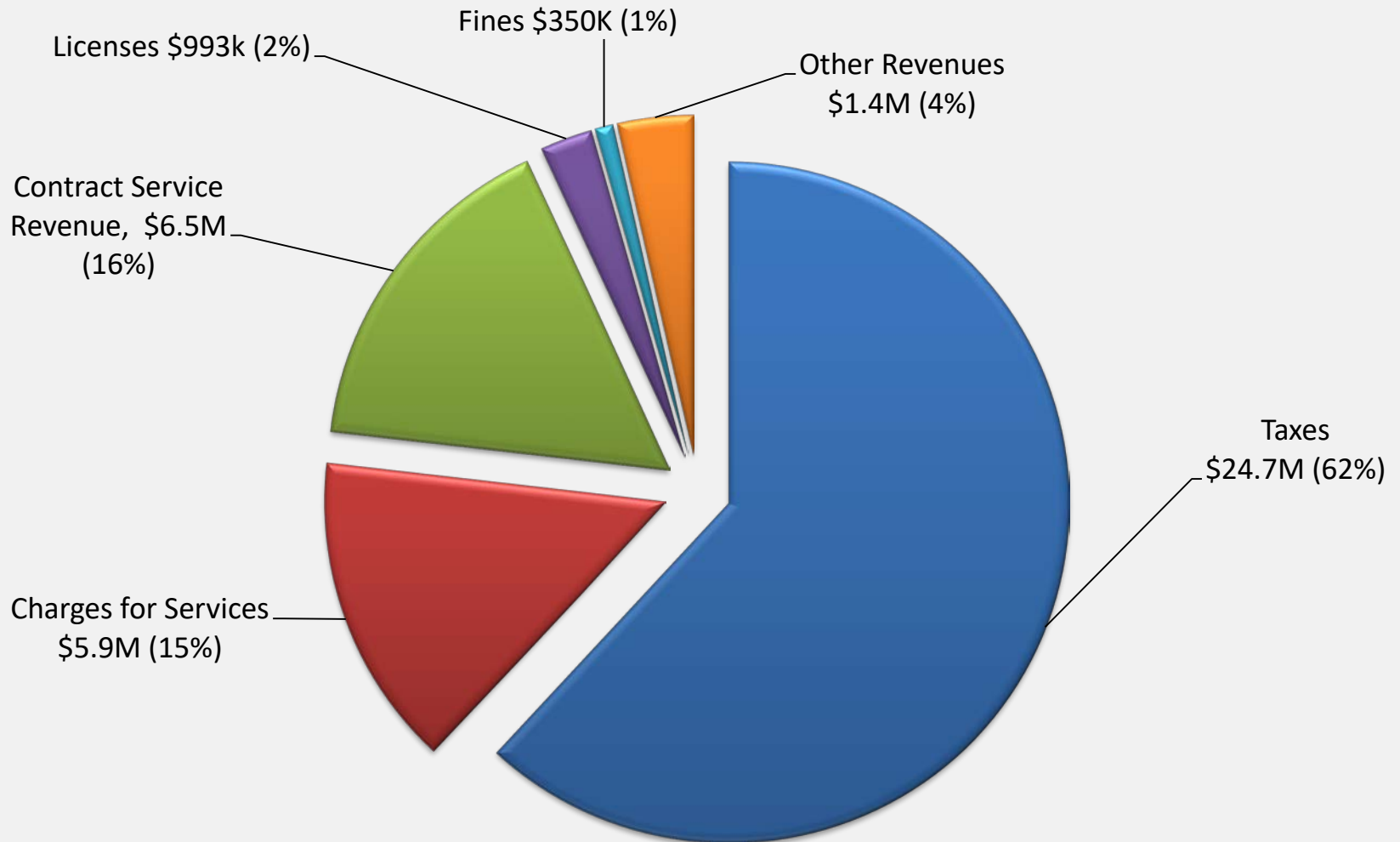
FY 2019-20 Budgeted General Fund Expenditures \$40.8M



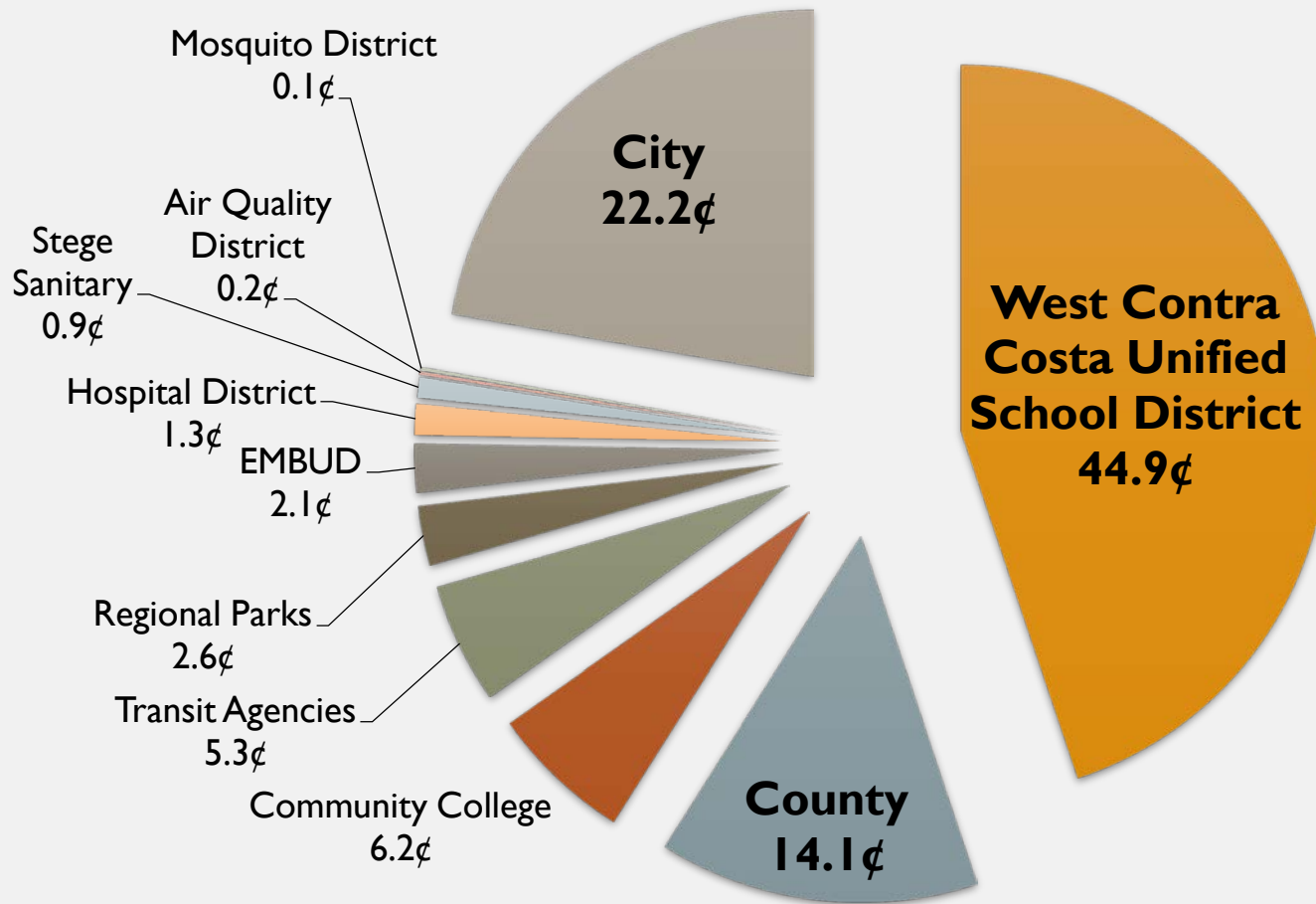
FY 2019-20 Budgeted General Fund Personnel Costs by Department



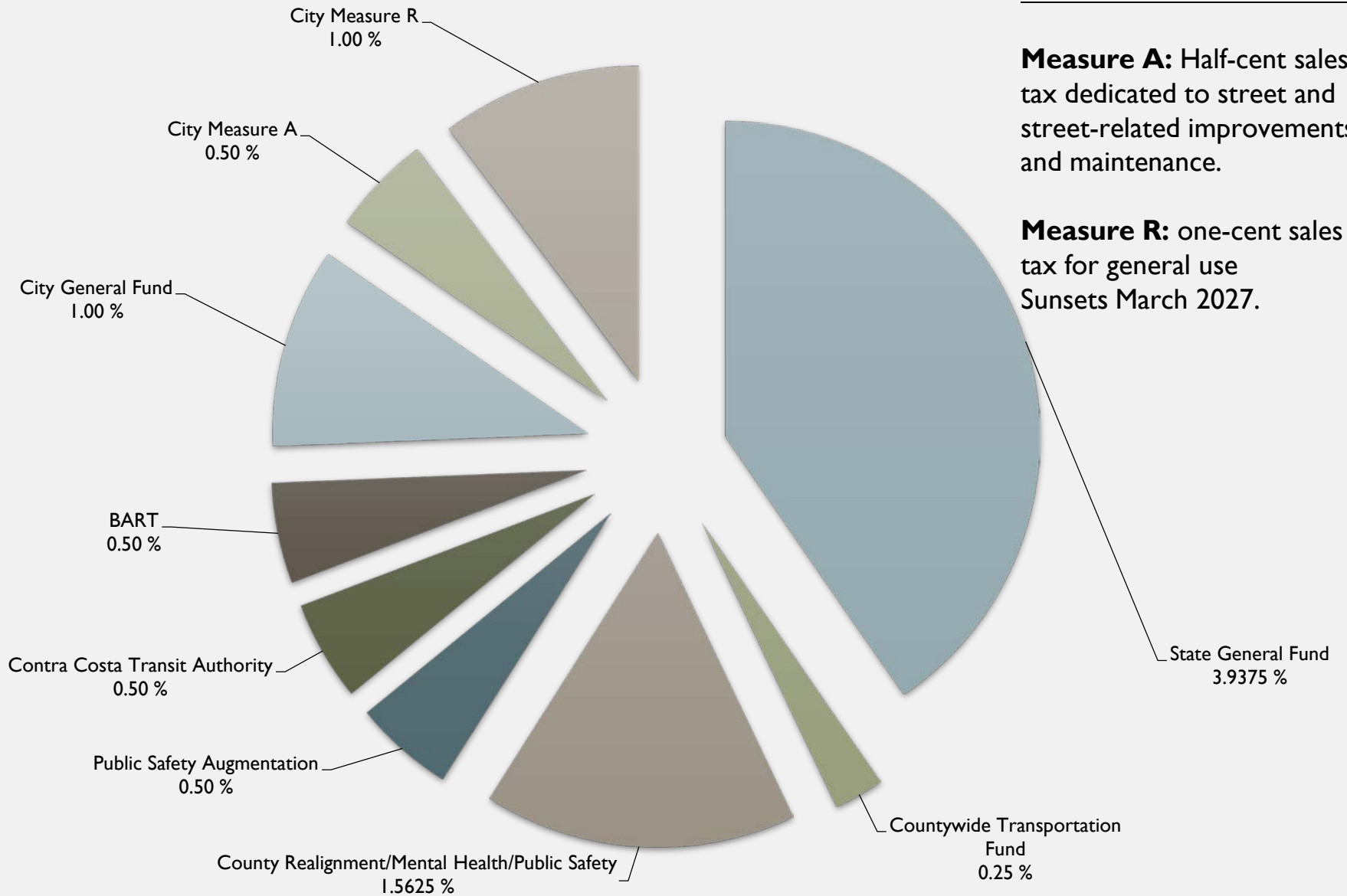
FY 2019-20 Budgeted General Fund Revenue \$39.9M



Your Property Tax Dollar



Sales Tax Distribution

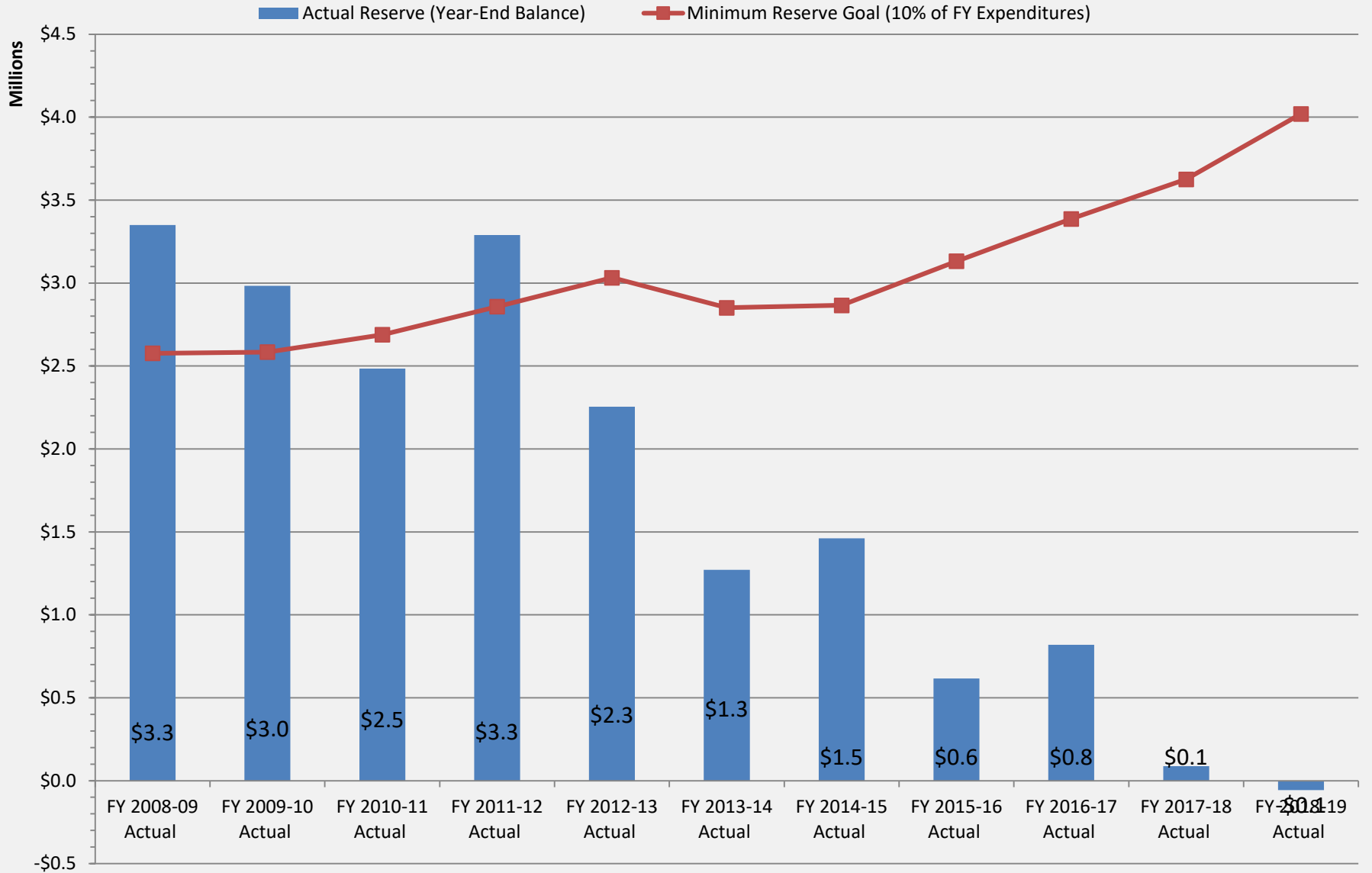


Local Sales Tax Measures

Measure A: Half-cent sales tax dedicated to street and street-related improvements and maintenance.

Measure R: one-cent sales tax for general use
Sunsets March 2027.

General Fund Reserve Versus 10% Reserve Goal FY 2008-09 to FY 2018-19



COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FY 2019

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)

HOW DID WE GET HERE?

- Great Recession
- Redevelopment Dissolution
- Dispatch Contract with City of Richmond
- Senior Center/Midtown Activity Center
- Audit Adjustments
 - Payroll adjustment
 - General Fund Transfers/Due-to
- Council policies without a corresponding revenue source

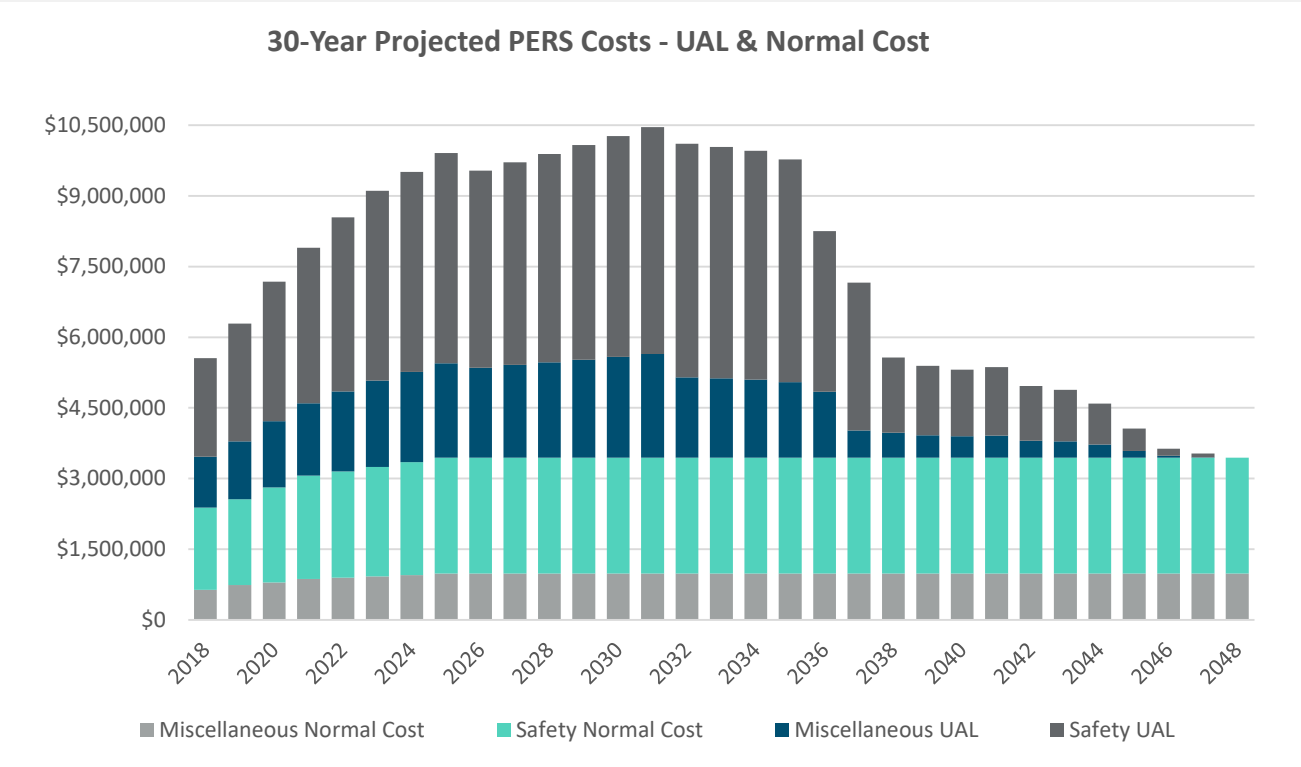
WHAT HAVE WE DONE?

- Actions taken during Great Recession
- Revenue Measures
 - Special
 - Measure A - Streets – 2008
 - Measure H - Parks and Recreation – 2019
 - General
 - Measure R –2010, renewed 2014, sunsets 2026
 - Measure V - Charter City and Real Property Transfer Tax – 2018
- San Pablo Avenue Specific Plan
 - Housing and mixed use projects under construction, several more entitled

FUTURE BUDGET CHALLENGES

- Property Tax Revenues – expecting decline
- Sales Tax Revenues – remained relatively level, but not a large tax base
- Personnel costs, particularly medical and benefits costs, are increasing
 - Challenge for employee retention, especially Police Department, and competition/market in Bay Area agencies
 - Pension costs rising due to decisions by CalPERS
- School District – eliminating contribution to SRO program
- Unfunded mandates from the State
- Climate Change – increasing focus on disaster preparedness and wildfire safety
 - Emergency and Disaster Recovery Fund
- Future recession...?

PROJECTED CALPERS PENSION COSTS

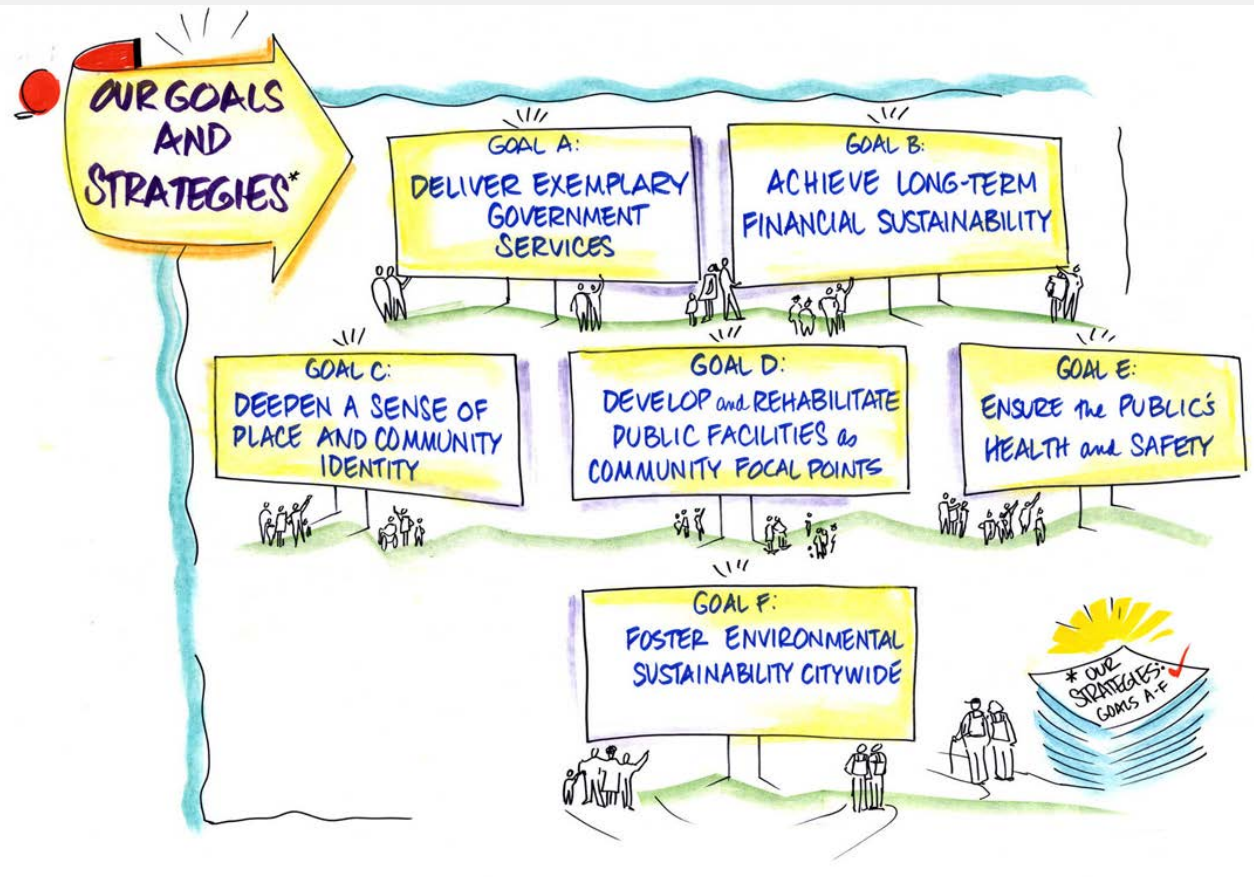


STATE AUDITOR'S REPORT

State Auditor Team identified 5 concerns:

- Current Financial Condition: concerned about our low/deficit General Fund reserves
- Financial Forecast: concerned that we have not adequately planned to replenish reserves
- Pensions and OPEB: concerned about our liabilities
- Programs and Services: concerned that our General Fund cannot support our full service city
- Public Safety Staffing: concerned especially about sustaining our full service Fire Department and the overtime costs vs. vacant positions.

STRATEGIC PLAN UPDATE



FUTURE MEETINGS AND MORE INFORMATION

- February 4: City Council Meeting: Study Session on General Fund Forecast and Budget Discussion (City Hall, 7:00 p.m.)
- February 12: Community Open House on Strategic Plan Priorities (City Hall, 6:00 p.m. to 8:00 p.m.)
- February 18: City Council Meeting: FY 2019-20 Midyear Budget Adjustments and CAFR (City Hall, 7:00 p.m.)
- March 14: City Council Workshop on Strategic Plan Priorities (City Hall, 9:30 a.m. to 2:00 p.m.)
- More information:

www.el-cerrito.org/AnnualBudgetProcess

www.el-cerrito.org/strategicplan

- Feedback:

www.el-cerrito.org/onlinesurvey

citymanager@ci.el-cerrito.ca.us