

CITY OF EL CERRITO



Proposed Biennial Budget

Fiscal Years 2016-17 & 2017-18

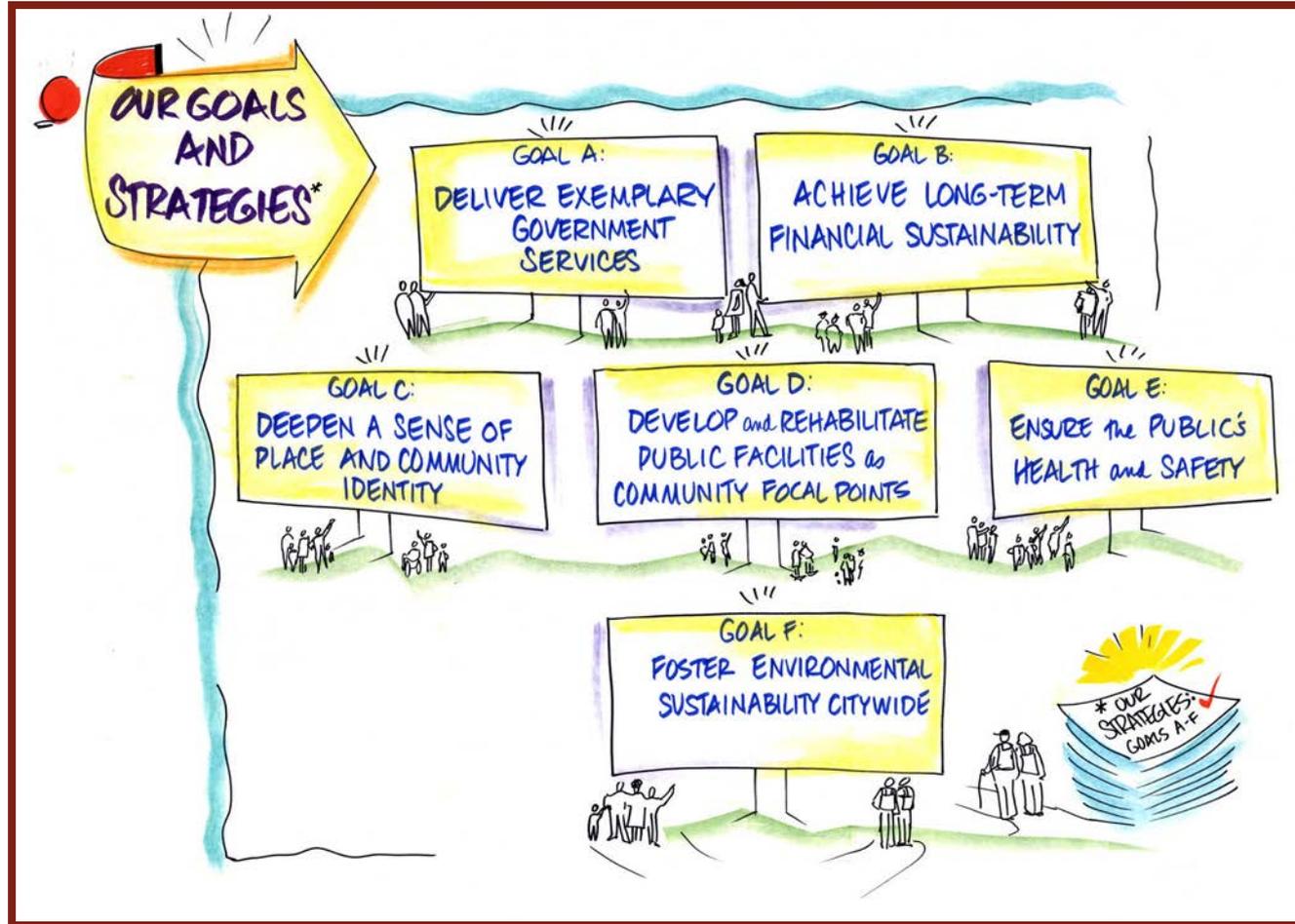
Agenda

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- Budget Overview
 - Strategic Plan Goals
 - El Cerrito 100th Birthday
 - 15 Year Look Back
 - Key Objectives for Fiscal Years 2016-17 and 2017-18
- City Finances
 - Citywide Budget Overview
 - General Fund
 - Assumptions
 - Budget Considerations
- Departmental Overviews
- City Council Next Steps

Strategic Plan Goals

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El Cerrito's 100th Birthday

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- The City celebrates its 100th Birthday in August 2017
- City Council appointed Centennial Subcommittee to oversee the implementation of the Centennial Celebration plans approved by the City Council
- Much more to come.....



15 Year Retrospective

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15 Year Retrospective

6



15 Year Retrospective

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Challenges

- Continue to manage significant increases in pension costs
- Managing changing technology
- Balancing the demands to improve, and increase services and programs with the need to reinvest and save money all at the same time
- Recruiting and retaining the best police officers possible
- Maintaining the very successful School Resource Officer Program

Key Objectives

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- ❑ Pass a ballot measure to fund a new library
- ❑ Successful implementation of the November General Election
- ❑ Automate internal systems for payroll, benefits, onboarding, evaluations, code enforcement and permits
- ❑ Provide more online access to our services
- ❑ Leverage funding and begin a General Plan update
- ❑ Work with committee to develop and implement City's 100th birthday celebration

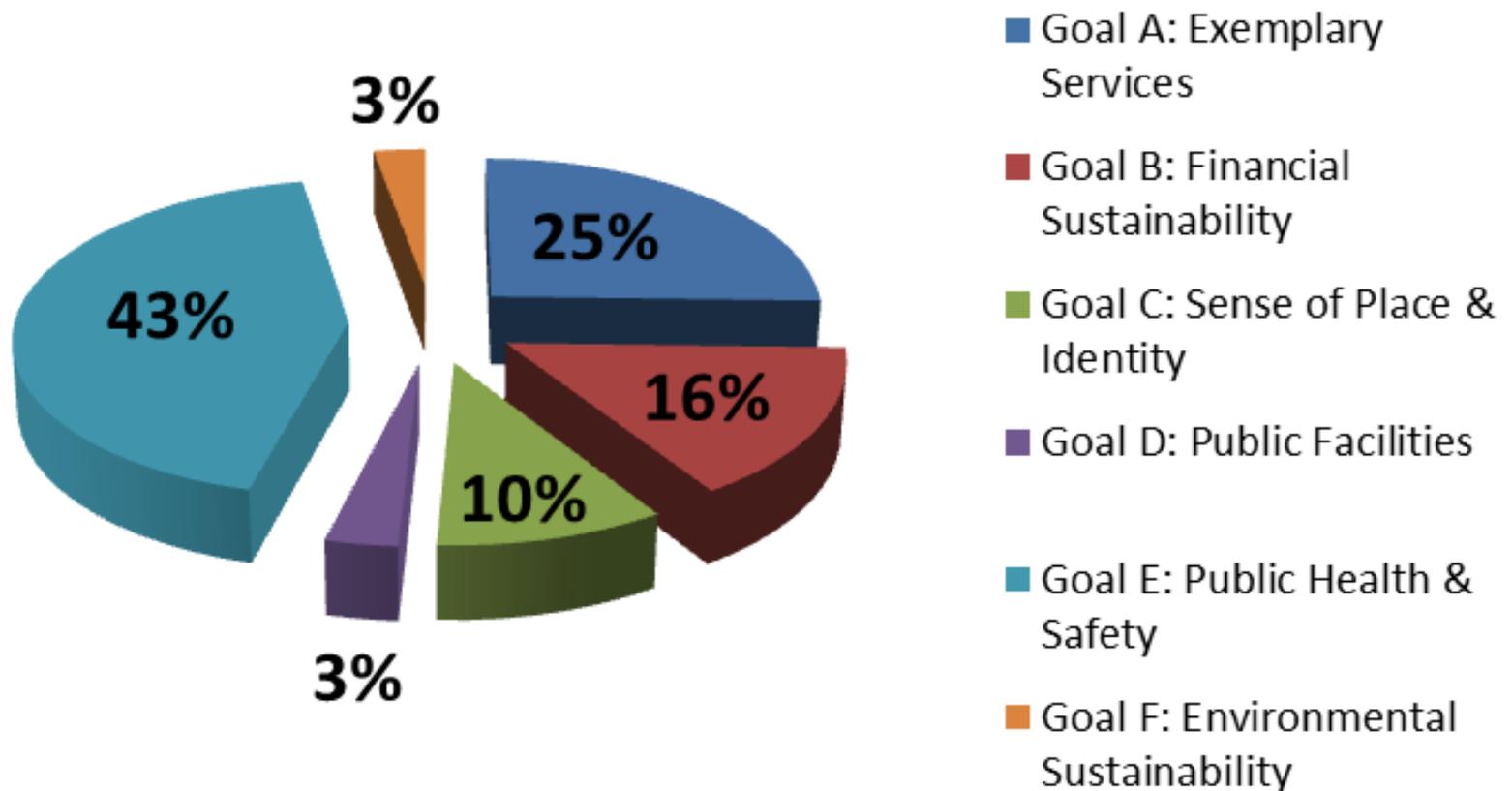
Key Objectives

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- Begin implementation of a new Storm Drain Master Plan and perform small storm drain improvement projects
- Oversee and manage process for significant development along San Pablo Avenue
- Develop a long range parks, open space and facilities master plan (not currently funded)
- Undertake a new cost allocation and fee study
- Continually recruit new police officers
- Identify ultimate site for a new library

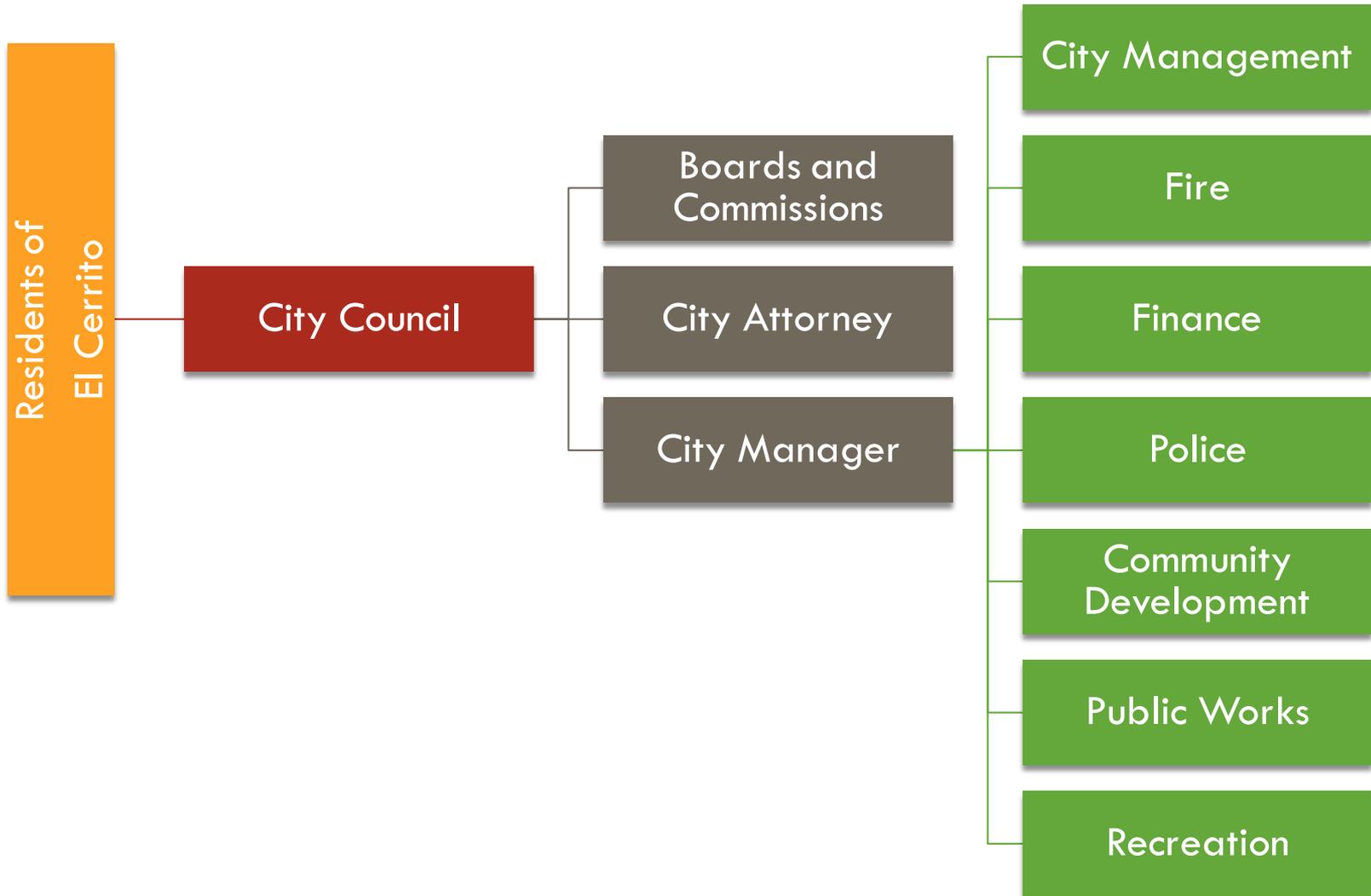
A snapshot of spending by goal

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City Organization Remains the Same

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City Finances

- Citywide Budget
- General Fund
- Special Funds

Key Assumptions

15

- Staffing increased but lower than historical high
- Eleven vacancies still remain
- All employees now contributing 8-12% of their salaries towards pension costs
- \$350,000 loan from the Municipal Services Corporation to help fund installment payment plan
- Overall salary savings from vacancies equals approximately \$937,000, down from \$1.9 million
- Salary savings of \$539,000 in Police based on staffing levels and likely recruitment and retention
- The General Fund will contribute \$164,000 to capital improvements

Key Assumptions

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- The Fire Department will rely on overtime rather than fill the three authorized “coverage” positions, similar to recent years (approximate \$150,000 in savings)
- Contract help, including economic development and housing
- Cost of parks, open space and facilities master plan not included but staff anticipates returning to Council for funding authorization when scope and costs are determined
- No additional use of unrestricted General Fund reserves to balance; surplus of \$237,000 projected
- General Fund reserves projected to increase to 9.2%

Proposed Citywide Revenues

All Funds

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Revenue Category	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Amended	FY 2016-17 Proposed	FY 2017-18 Proposed
Taxes					
Property Taxes	\$6,061,184	\$6,804,612	\$6,858,142	\$8,607,000	\$9,295,560
Sales Taxes	6,814,760	6,455,436	7,650,500	7,849,000	8,084,470
Utility User Taxes	3,137,017	3,106,232	3,308,000	3,163,000	3,257,890
Local Parcel Taxes	1,908,642	1,908,856	1,908,000	1,921,170	1,978,805
Franchise Taxes	1,228,307	1,376,771	1,434,970	1,565,000	1,611,950
Business License Taxes	768,448	722,130	811,715	810,000	834,300
Other Taxes	3,259,133	3,539,300	3,383,650	3,713,977	3,829,096
Total Taxes	\$23,177,491	\$23,913,338	\$25,354,977	\$27,629,147	\$28,892,071
Licenses & Permits	539,567	493,243	623,000	653,690	686,375
Fines and Forfeitures	388,364	276,759	301,500	326,000	341,980
Use of Money and Property	433,140	490,279	522,822	524,380	536,255
Intergovernmental Revenues	6,367,023	8,253,283	6,262,999	8,253,966	8,563,001
Charges for Services	7,044,458	6,734,225	7,094,043	7,315,140	7,607,746
Other Revenues	260,208	197,396	548,567	975,476	645,040
Total Revenues before Transfers				\$18,048,652	\$18,380,397
Interfund Transfers	3,050,150	2,797,236	2,864,984	2,779,256	2,780,784
Total	\$41,260,402	\$43,155,758	\$43,572,892	\$48,457,055	\$50,053,252

Proposed Citywide Expenditures

All Funds

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Amended	FY 2016-17 Proposed	FY 2017-18 Proposed
Personnel	\$25,035,232	\$25,190,715	\$26,302,904	\$27,330,750	\$28,778,491
Professional Services	4,183,357	3,348,815	3,578,550	3,743,357	3,743,357
Purchased Property Services	5,630,724	4,230,194	6,201,890	8,326,696	8,326,696
Other Services	1,385,790	1,309,545	1,531,424	1,608,635	1,608,635
Supplies	778,020	745,632	943,580	932,550	932,550
Property & Capital	2,289,261	434,306	369,800	446,600	446,600
Financing Costs	2,101,820	2,230,458	3,381,236	3,477,110	3,478,613
Other Financing Uses	6,272,702	5,657,235	2,774,846	2,879,256	2,880,784
Total	\$47,676,905	\$43,146,900	\$45,084,231	\$48,744,954	\$50,195,726

Citywide Spending by Department

All Funds

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Amended	FY 2016-17 Proposed	FY 2017-18 Proposed
City Management	\$2,764,975	\$2,578,534	\$3,212,711	\$3,422,665	\$3,516,051
Finance	3,035,021	2,990,700	3,718,382	3,928,883	3,960,170
Police	9,891,134	10,117,530	11,271,625	10,972,441	11,557,595
Fire	10,230,113	8,610,622	8,244,613	8,554,082	8,835,501
Public Works	4,116,557	4,116,039	5,145,416	5,515,865	5,678,877
Community Development	5,918,508	4,837,053	2,384,884	2,600,413	2,729,161
Recreation	4,255,945	4,387,711	4,342,098	4,691,042	4,857,280
Capital Outlay	4,583,102	2,712,838	3,989,656	6,280,307	6,280,307
Total Before Transfers	\$44,795,355	\$40,351,026	\$42,309,385	\$45,965,698	\$47,414,942
Transfers	2,881,550	2,795,874	2,774,846	2,779,256	2,780,784
Total Expenditures	\$47,676,905	\$43,146,900	\$45,084,231	\$48,744,954	\$50,195,726

General Fund Overview

General Fund Summary	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Projected	FY 2016-17 Proposed	FY 2017-18 Proposed
Beginning Restricted Fund Balance	\$234,156	\$235,946	\$138,412		
Beginning Unassigned Fund Balance	\$1,237,431	\$1,008,587	\$1,323,100	\$2,872,742	\$3,110,104
Total Revenues	\$28,977,899	\$29,761,899	\$32,829,298	\$33,907,573	\$35,100,932
Personnel	22,264,588	22,633,987	23,145,969	24,841,886	26,166,030
Non-Personnel	6,914,431	6,910,933	8,272,099	8,828,325	8,828,825
Total Expenses	\$29,179,019	\$29,544,920	\$31,418,068	\$33,670,211	\$34,994,855
Annual Balance/Shortfall	(1,071,040)	195,965	1,411,230	237,362	106,077
Unassigned Ending Fund Balance/Deficit	\$1,270,466	\$1,461,512	\$2,872,742	\$3,110,104	\$3,216,181
Ending Unassigned Reserve Percent	4.4%	4.9%	9.1%	9.2%	9.2%

General Fund Revenue Projections

Revenue Category	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Amended	FY 2016-17 Proposed	FY 2017-18 Proposed
Taxes					
Property Taxes	\$6,061,184	\$6,804,612	\$6,858,142	\$8,607,000	\$9,295,560
Sales Taxes	\$5,361,233	\$5,055,703	\$6,151,700	\$6,364,000	\$6,554,920
Utility Tax	\$3,137,017	\$3,106,232	\$3,308,000	\$3,163,000	\$3,257,890
Franchise Taxes	\$1,228,307	\$1,376,771	\$1,434,970	\$1,565,000	\$1,611,950
Business License Tax	\$768,448	\$722,130	\$811,715	\$810,000	\$834,300
Other Tax	\$260,330	\$249,380	\$293,000	\$327,000	\$340,510
Total Taxes	\$16,816,518	\$17,314,827	\$18,857,527	\$20,836,000	\$21,895,130
Licenses & Permits	\$539,567	\$493,243	\$623,000	\$653,690	\$686,375
Fines and Forfeitures	\$388,364	\$276,759	\$301,500	\$326,000	\$341,980
Use of Money and Property	\$289,389	\$349,886	\$389,840	\$391,996	\$403,756
Intergovernmental Revenues	\$4,997,650	\$5,781,514	\$5,143,498	\$5,463,578	\$5,688,901
Charges for Services	\$5,031,592	\$4,525,514	\$4,795,320	\$4,854,775	\$5,048,966
Other Revenues	\$140,713	\$119,299	\$289,267	\$466,320	\$120,610
Interfund Transfers	\$774,104	\$900,857	\$890,194	\$915,214	\$915,214
Total	\$28,977,899	\$29,761,899	\$31,290,146	\$33,907,573	\$35,100,932

Key Revenue Assumptions

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- Strong increases in property taxes due to Proposition 8 reversals and much higher home prices
- Other taxes up modestly
- UUT revenues reduced once again
- Fees increased by 3%
- Grant revenues projected to increase

General Fund Expenditure Projections

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Actual	Amended	Proposed	Proposed
Personnel	\$22,264,588	\$22,633,987	\$23,843,946	\$24,841,886	\$26,166,030
Professional Services	2,610,053	2,655,525	2,846,146	2,770,446	2,770,446
Purchased Property Services	906,300	1,074,156	1,473,861	1,678,038	1,678,038
Other Services	1,299,912	1,225,347	1,399,984	1,484,695	1,484,695
Supplies	569,274	603,825	661,150	658,650	658,650
Property & Capital	217,087	258,412	318,300	395,100	395,100
Financing Costs	275,955	308,089	903,573	1,099,899	1,099,899
Other Financing Uses	1,035,850	785,579	738,084	741,497	741,997
Total	\$29,179,019	\$29,544,920	\$32,185,045	\$33,670,211	\$34,994,855

Key Expenditure Assumptions

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- Personnel
 - 11 vacancies will remain saving \$937,000
 - COLAs for all employees
 - Police salary savings of approximately \$539,000
 - The Fire Department, while fully staffed operationally will rely on overtime rather than fill the three authorized “coverage” positions, similar to recent years (results in approximate \$150,000 in savings)
- Other expenses flat or modest increases

Proposed staffing FY16-17

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	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
City Council	5.00	5.00	5.00	5.00	5.00
City Management	9.00	9.00	10.50	11.50	11.50
Finance Department	6.00	6.00	6.00	6.00	6.00
Community Development	13.50	13.50	13.50	14.00	14.00
Police Department	56.40	56.40	56.40	56.40	56.40
Fire Department	37.00	37.00	37.00	37.00	37.00
Public Works Department	23.80	22.80	23.80	24.80	24.80
Recreation Department	23.00	23.00	23.00	23.00	23.00
Total	173.70	172.70	175.20	177.70	177.70

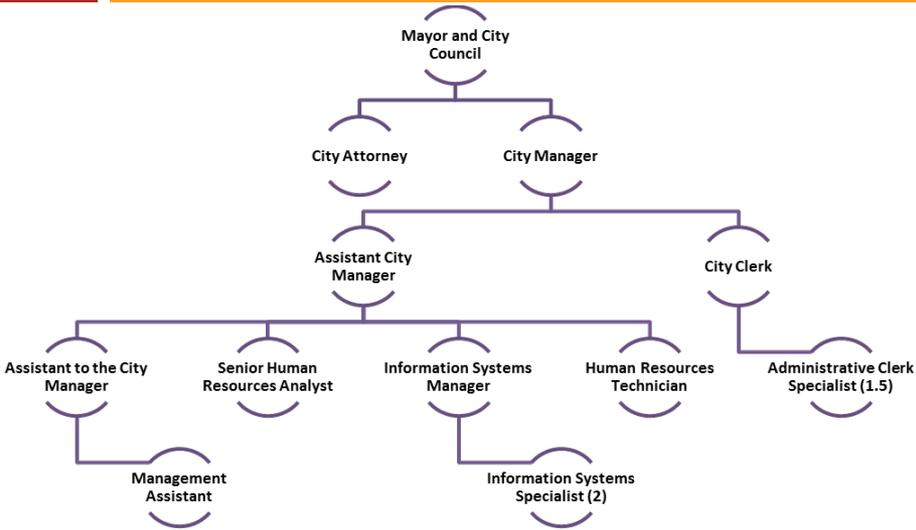
Dissolution of Redevelopment still lingers

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- General Fund impact of redevelopment dissolution over \$600,000 next fiscal year
- City prevailed in litigation against State Department of Finance to reverse attempted “claw back” of \$1.7 million of City funds.
- Second lawsuit against State Department of Finance is now waiting appeal in Sacramento
- Vacant housing specialist position will not be filled
- Training classes remain unfunded
- Few economic development tools remain

City Management

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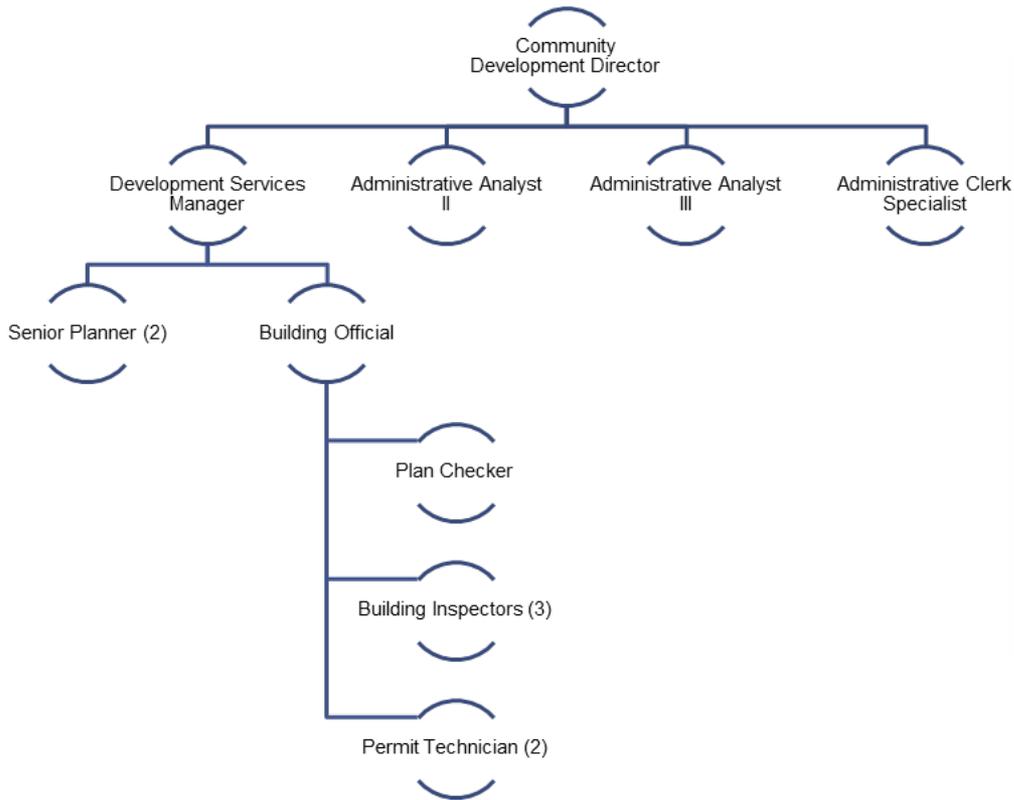


City Management Budget

	2013-14	2014-15	2015-16	2016-17	2017-18
All Funds (No City Council or City Attorney)	Actual	Actual	Amended	Proposed	Proposed
Personnel Services	\$1,429,557	\$1,340,556	\$1,561,457	\$1,791,609	\$1,883,893
Purchased Professional & Technical Services	189,040	226,902	475,500	423,000	423,000
Purchased Property Services	3,541	3,772	4,800	4,800	4,800
Other Purchased Services	687,078	585,778	635,375	729,975	729,975
Supplies	34,443	29,351	44,300	45,300	45,300
Property & Capital	32,205	45,712	58,500	58,500	58,500
Total Expenditures	\$2,375,864	\$2,232,070	\$2,779,932	\$3,053,184	\$3,145,468

Community Development

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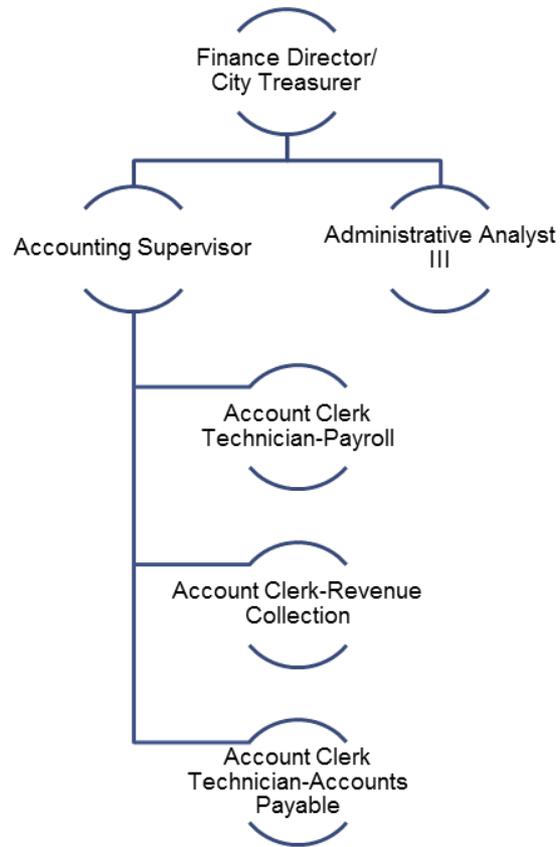


Community Development Budget

All Funds	2013-14 Actual	2014-15 Actual	2015-16 Amended	2016-17 Proposed	2017-18 Proposed
Personnel Services	\$1,411,063	\$1,303,235	\$1,647,764	\$1,769,393	\$1,898,141
Purchased Professional & Technical Services	1,057,051	593,777	617,000	624,000	624,000
Purchased Property Services	10,240	10,229	19,300	14,300	14,300
Other Purchased Services	29,667	52,105	75,320	64,320	64,320
Supplies	18,426	14,417	19,800	19,900	19,900
Property & Capital	909	1,930	5,700	8,500	8,500
Other Financing Uses	3,391,152	2,896,361	-	100,000	100,000
Total Expenditures	\$5,918,508	\$4,872,053	\$2,384,884	\$2,600,413	\$2,729,161

Finance Department

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Finance Department Budget

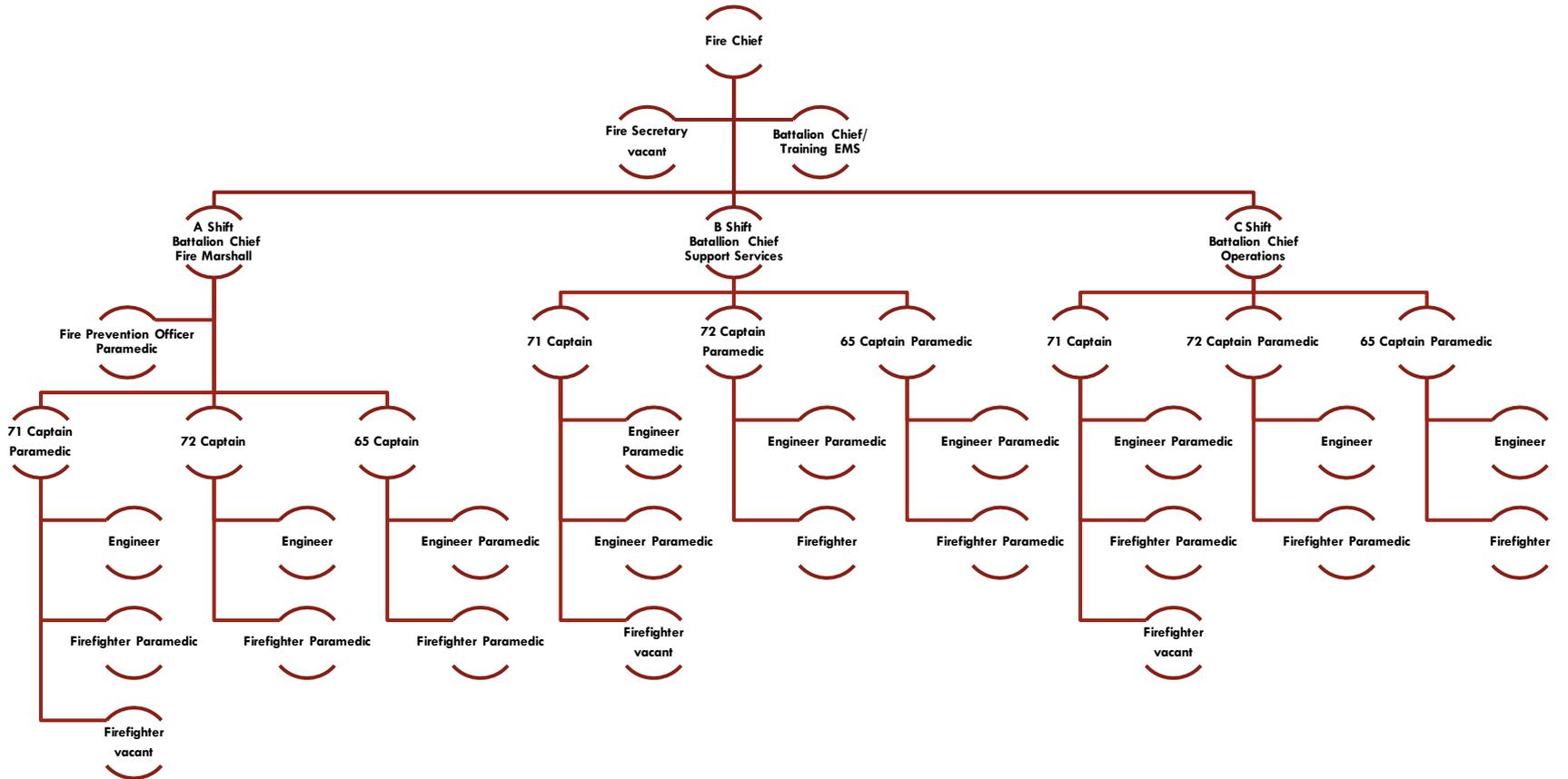
All Funds	2013-14 Actual	2014-15 Actual	2015-16 Amended	2016-17 Proposed	2017-18 Proposed
Personnel Services	\$751,770	\$557,220	\$695,743	\$766,890	\$796,649
Purchased Professional & Technical Services	244,988	329,852	234,000	279,000	279,000
Other Purchased Services	14,281	15,549	20,900	20,900	20,900
Supplies	8,569	8,483	10,000	10,000	10,000
Property & Capital	3,775	3,980	1,000	1,000	1,000
Other Objects	2,011,638	2,075,617	2,081,739	1,979,767	1,981,295
Other Financing Uses	1,836,529	1,865,091	2,536,202	2,733,418	2,734,946
Total Expenditures	\$4,871,550	\$4,855,791	\$5,579,584	\$5,790,975	\$5,823,790

Fire Department

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Fire Department

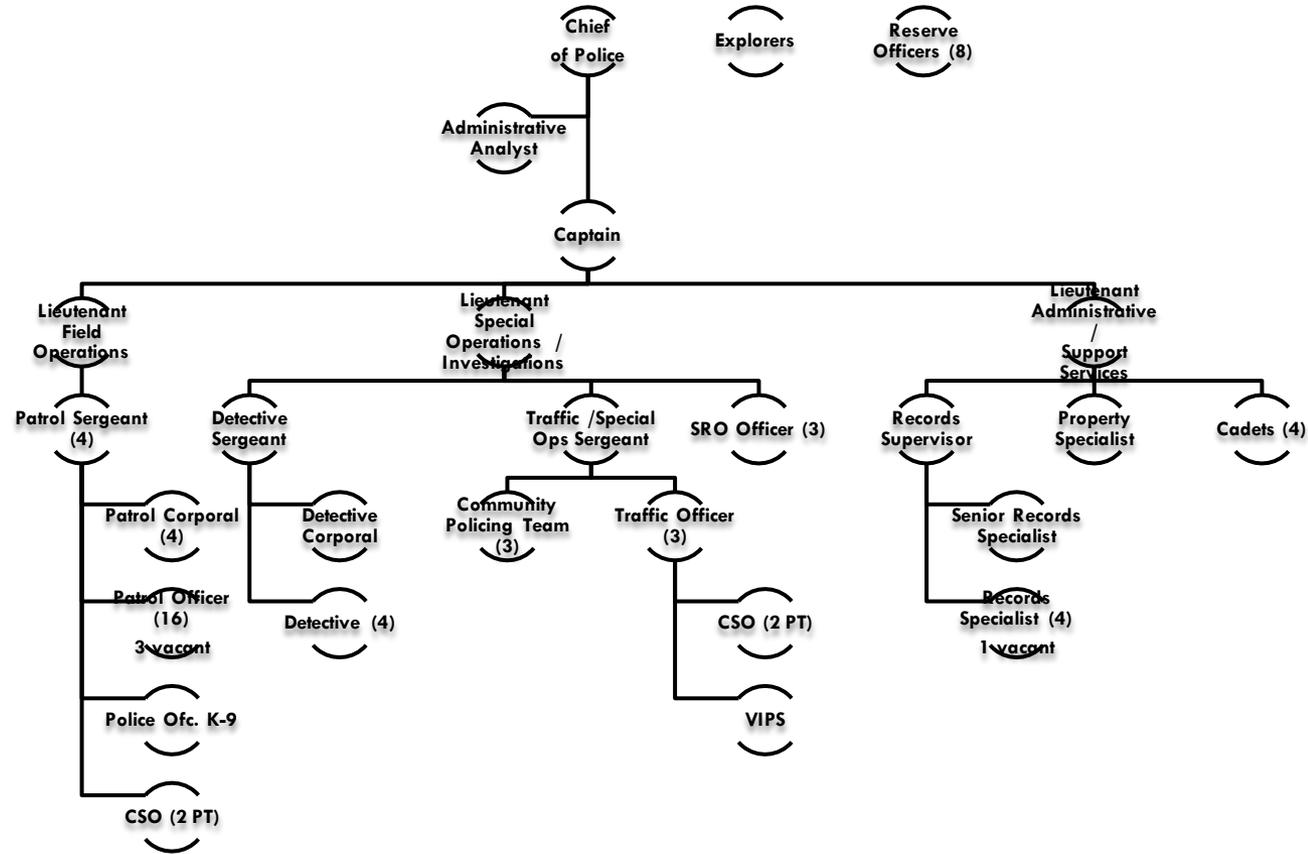


Fire Department Budget

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All Funds	2013-14 Actual	2014-15 Actual	2015-16 Amended	2016-17 Proposed	2017-18 Proposed
Personnel Services	\$7,776,897	\$8,044,543	\$7,478,098	\$7,814,067	\$8,095,485
Purchased Professional & Technical Services	6,014	17,124	21,500	25,000	25,000
Purchased Property Services	327,101	342,726	402,183	342,183	342,183
Other Purchased Services	81,892	74,024	81,000	86,000	86,000
Supplies	98,812	91,249	107,300	122,300	122,300
Property & Capital	1,925,920	28,310	25,000	35,000	35,000
Other Objects	13,475	12,646	129,532	129,532	129,533
Other Financing Uses	-	-	26,862	26,862	26,862
Total Expenditures	\$10,230,113	\$8,610,622	\$8,271,475	\$8,580,944	\$8,862,363

Police Department



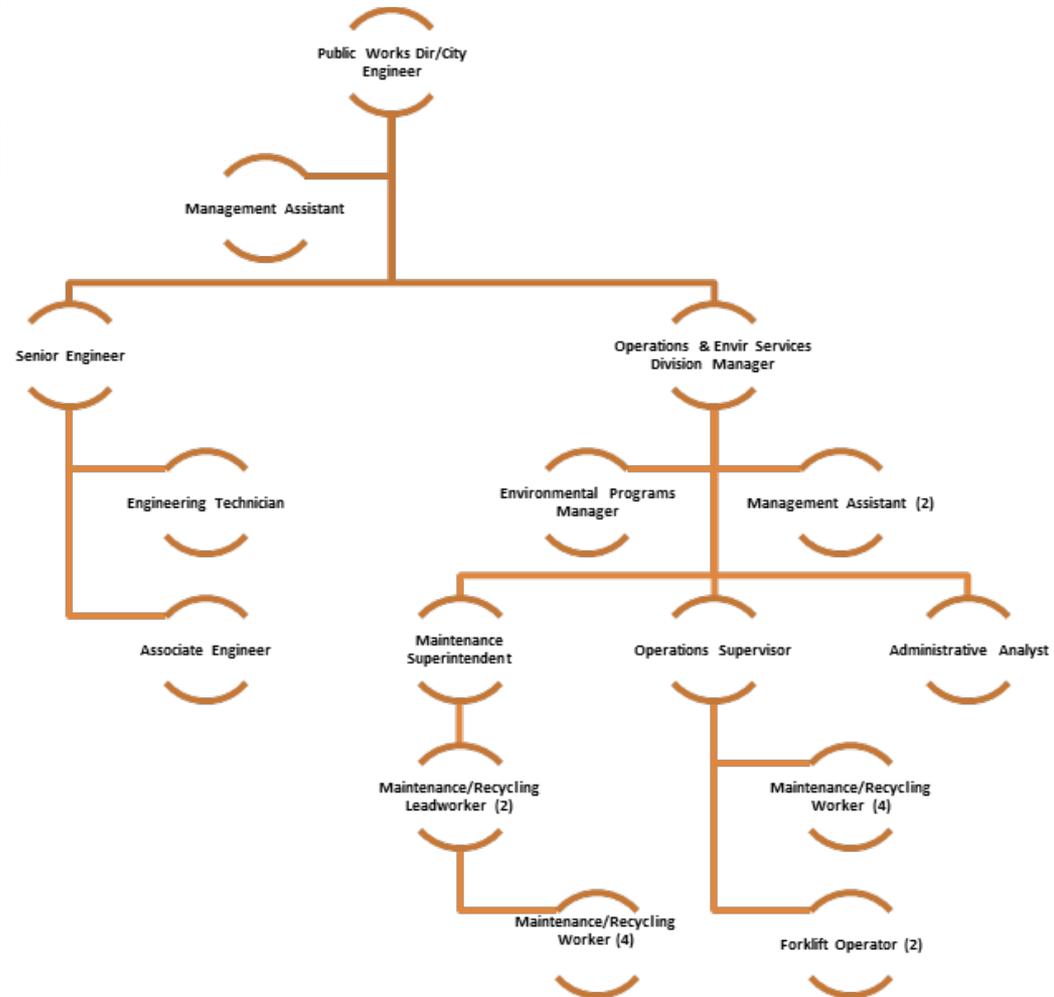
Police Department Budget

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	2013-14	2014-15	2015-16	2016-17	2017-18
All Funds	Actual	Actual	Amended	Proposed	Proposed
Personnel Services	\$8,273,931	\$8,385,805	\$9,233,253	\$9,108,269	\$9,693,423
Purchased Professional & Technical Services	985,675	973,164	1,213,000	1,065,000	1,065,000
Purchased Property Services	115,532	119,668	156,952	130,952	130,952
Other Purchased Services	165,290	166,068	166,270	210,070	210,070
Supplies	190,913	209,355	256,150	202,150	202,150
Property & Capital	158,433	262,290	246,000	256,000	256,000
Other Objects	1,361	1,179	-	-	-
Total Expenditures	\$9,891,134	\$10,117,530	\$11,271,625	\$10,972,441	\$11,557,595

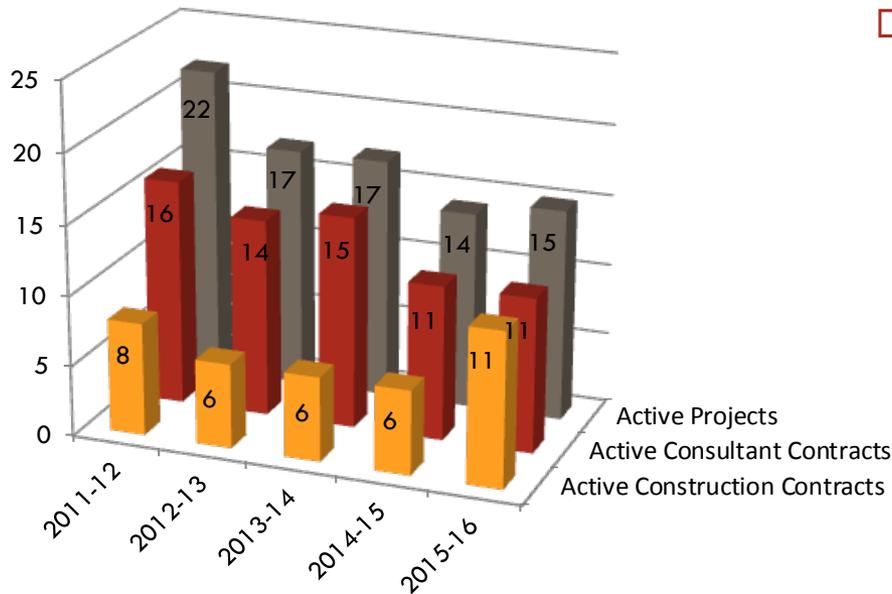
Public Works

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Capital Improvement Program

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- Ten-Year CIP includes 36 identified project
- Next two years includes ~20 active projects either undergoing further planning, design or construction as follows:
 - 1 Admin (Energy & Water Efficiency)
 - 2 Facilities (Swim Center & Library)
 - 12 Parks & Trails
 - 5 to 7 Streets-Transportation
 - 1 Storm Drain

Capital Improvement Program – Funded Major Projects

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- Construction of the Ohlone Greenway-BART Station Area Access, Safety and Placemaking Improvements
 - Funded through various local, regional and federal grants
 - Strategic Plan Goals C, D, E and F
- Annual Street Improvement/Paving Program
 - Funded by City Measure A Street Improvements
 - Strategic Plan Goals D and E
- Several Parks Projects
 - Funded by East Bay Regional Parks Measure WW
 - Strategic Plan Goals C, D, E and F
- Swim Center Enhancements
 - Funded by City Measure A Swim Center
 - Strategic Plan Goals D and B
- Storm Drain Master Plan
 - Funded by City Measure J Storm Drain
 - Strategic Plan Goals D and E

Public Works Expenses

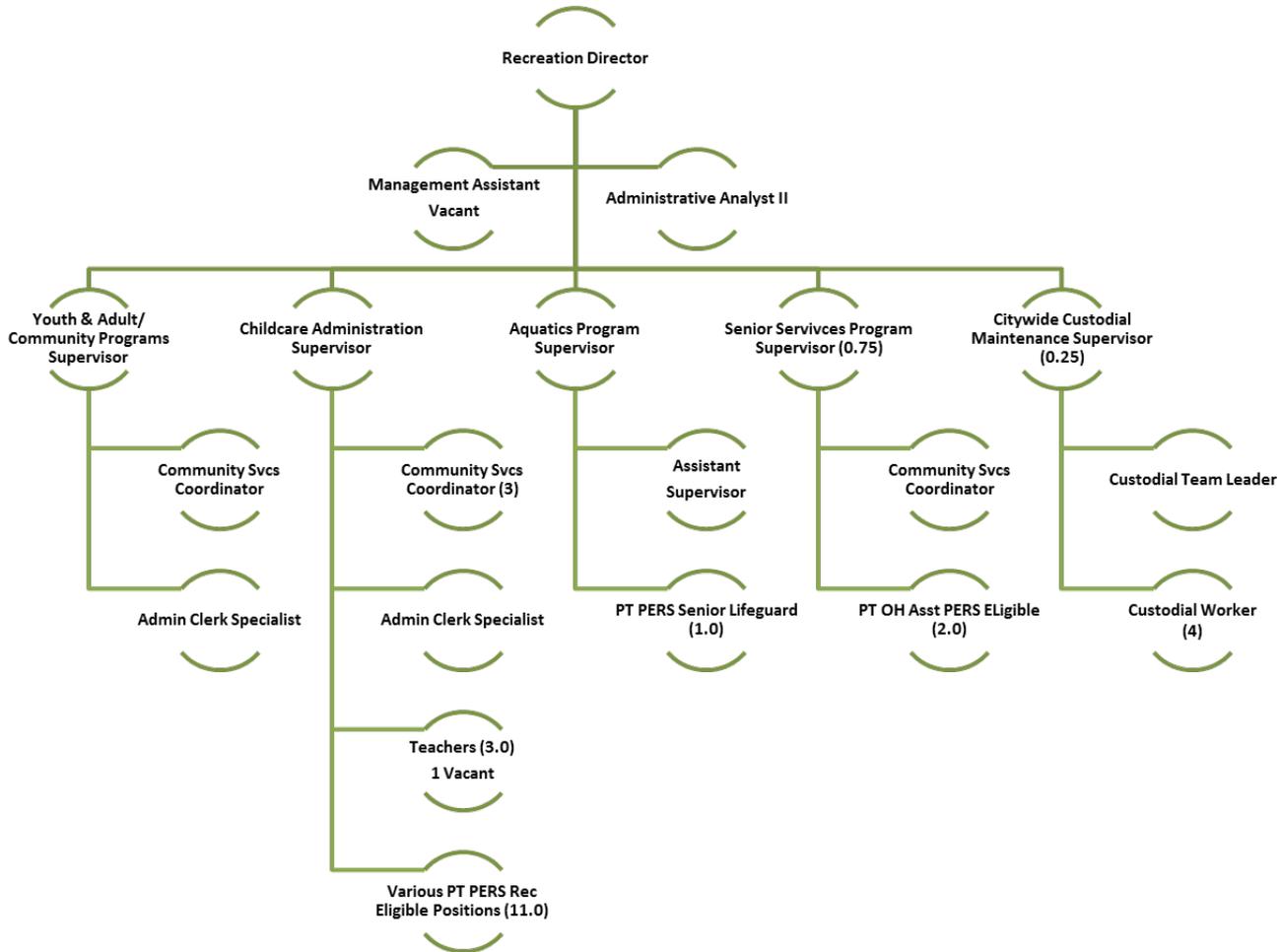
All Funds	2013-14 Actual	2014-15 Actual	2015-16 Amended	2016-17 Proposed	2017-18 Proposed
Personnel Services	\$2,231,073	\$2,297,806	\$2,516,621	\$2,733,819	\$2,896,857
Purchased Professional & Technical Services	283,257	166,725	264,640	281,446	281,446
Purchased Property Services	1,235,823	1,266,380	1,501,510	1,620,165	1,620,165
Other Purchased Services	110,584	117,824	163,050	166,750	166,750
Supplies	232,183	164,466	264,230	264,800	264,800
Property & Capital	17,590	3,722	7,500	19,500	19,500
Financing Costs	6,047	99,116	427,865	429,385	429,359
Other Financing Uses	1,045,020	864,297	854,352	856,899	856,899
Total Expenditures	\$5,161,578	\$4,980,337	\$5,999,768	\$6,372,764	\$6,535,776

Recreation

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Recreation



Recreation Budget

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	2013-14	2014-15	2015-16	2016-17	2017-18
All Funds	Actual	Actual	Amended	Proposed	Proposed
Property & Other Taxes	\$0	\$125,327	\$132,552	\$136,529	\$140,624
Use of Money & Property	191,932	252,432	289,140	290,500	299,215
Charges for Services	3,205,938	3,270,049	3,318,120	3,173,468	3,300,407
Other Revenue	54,489	62,475	84,820	66,320	68,310
Other Financing Sources	-	31,486	32,430	33,403	33,403
Total Revenues	\$3,452,359	\$3,741,768	\$3,857,062	\$3,700,220	\$3,841,959

	2013-14	2014-15	2015-16	2016-17	2017-18
All Funds	Actual	Actual	Amended	Proposed	Proposed
Personnel Services	\$3,117,894	\$3,217,655	\$3,134,178	\$3,311,722	\$3,477,960
Purchased Professional & Technical Services	392,991	421,103	398,500	426,500	426,500
Purchased Property Services	205,563	189,588	187,900	244,400	244,400
Other Purchased Services	268,237	254,949	287,820	306,420	306,420
Supplies	192,730	227,225	240,500	266,800	266,800
Property & Capital	9,230	35,291	26,100	68,100	68,100
Other Objects	69,300	41,900	67,100	67,100	67,100
Other Financing Uses	-	31,486	32,430	33,403	33,403
Total Expenditures	\$4,255,945	\$4,419,197	\$4,374,528	\$4,724,445	\$4,890,683

Open items/areas for possible direction

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- Upcoming labor negotiations
- Strategy for CalPERS Increases
- Desire to increase General Fund Reserves
- Other??

For City Council Consideration

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- Reasonableness of Assumptions
- Consistency with City Council Mission, Vision and Goals
- Consistent with Overall Council Policy

Next Steps

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- Beginning tonight, Review and Provide Comments and Questions
- Final Clean-up of budget book
- Consider Overall Budget for Adoption
- Next Meeting(s) and Possible Adoption
 - ▣ June 21st (regular meeting)
 - ▣ June 20th and 22nd if necessary

Special thanks to.....

- ❑ Residents and businesses of El Cerrito for their continued support and trust
- ❑ City Council
- ❑ Financial Advisory Board (meets tomorrow)
- ❑ City Staff for their hard work and commitment
- ❑ Department Heads for their leadership and dedication
- ❑ Karen, Shannon, Stacey and Suzanne for the hard work on the budget

Awards

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Questions or Comments?