

MEMORANDUM



TO: Mayor and City Council
FROM: Karen Pinkos, City Manager
DATE: June 19, 2020
SUBJECT: City Manager's Update

During the past few months, the main focus for all of us has been on health. This includes our own personal health, the health of the community at large, and importantly for the City, our financial health. Today, and every day going forward, is different than yesterday. We carry with us the same challenges from before COVID-19, but everything must be assessed differently during and after COVID-19. Many are calling these times the new normal, but it might be more accurate to say, there will be a constantly changing "next" normal.

The health and safety of El Cerrito residents and employees are the primary responsibility of the City leadership team and the City Council. We are adapting to the next normal for our collective health. The recent worldwide protests and demands for racial justice have shown us that even the social health of our communities needs healing.

As we move into the summer, with the pandemic still active, the City staff team is working while practicing social distancing, slowly and carefully reopening City facilities, and trying to keep parks and public spaces clean to help ensure safety. Going forward, gatherings and services will be different to keep everyone healthy. Residents and staff play a key role in keeping the community safe. Never has personal responsibility been so important to public health as in this pandemic. Simple things like staying home, wearing masks in public places, and washing your hands can save lives. Together, we all must continue to do our part.

It is difficult, scary, and frustrating, but it is working. If we keep at it, we will get through this to the next normal.

Considering the City's financial health, the normal of "before" was that El Cerrito had been facing budget challenges, well before the COVID-19 crisis. We have been candid about this to the City Council and to the public. There is no denying that our budgets have been finely balanced over the years, and that has come at a price. As a full service City with valued fire, police, and community services, we have experienced increases in the costs of providing these services. These costs have outstripped the resources that we have to pay for high service and response levels .

The biggest challenge we face is not a balanced budget or paying for services residents prioritize and depend on, but rather that we have depleted our General Fund Reserve. The General Fund Reserve is the City's main savings account. The City has used the General Fund Reserve to keep our services at the high service and response levels that our residents expect as the costs have increased. This is no longer sustainable. The City is faced with right-sizing the budget to ensure that costs are contained and that we build back a General Fund Reserve so that the financial health of the City improves.

CITY MANAGER'S UPDATE (CONT'D)

Now, because of the impacts of COVID-19, the situation has become more severe. Even if we had a substantial General Fund Reserve, we would still be looking at extensive cuts and reductions to balance the budget due to the lack of revenue in this unprecedented economic crisis. We must further adjust our budget to pay for core services, and this means that some of our most valued services will be impacted.

On Tuesday June 16, the City Council passed a preliminary budget for the fiscal year beginning on July 1, 2020. This budget includes assuming reduced revenues of about \$4 million due to the COVID-19 crisis, and reduction of costs by \$4 million. This represents about 10% of the City's General Fund budget. Because the crisis is ongoing, it has been difficult to predict how badly the City's revenues will be impacted. So, over the summer, the City Council and City staff will be working on revising the budget as the economy (hopefully) stabilizes. The City Council will consider a revised budget by the end of the first quarter of the fiscal year, which is October 1, 2020.

The reductions included in the preliminary FY 2020-21 budget includes \$2.4 million in personnel cost reductions and about \$1.6 million in Citywide operational expenses. Within personnel, all employee bargaining units negotiated and agreed to forgo any cost of living increases, which is a reduction of 3% of personnel expenses for next fiscal year. Non-public safety and management employees will also be subject to furloughs through next fiscal year, which equals a 5% to 10% salary reduction. Additionally, management employees will have reduced benefits and higher pension contributions.

FY 2020-21 Budget Reductions Made by the City (as of June 16, 2020)

REDUCTION(S)		AMOUNT
Local 1230 Firefighters	Deferred COLA	\$177,684
Public Safety Management Association - Battalion Chiefs	Deferred COLA	\$38,523
SEIU Local 1201	Deferred COLA, furloughs*	\$740,104
Police Employees Association	Deferred COLA	\$213,597
Public Safety Management Association - Police Management	Deferred COLA*	\$40,217
Public Safety Management Association - Police Chief	Deferred COLA	\$12,445
Management/Confidential; City Manager	No COLA, no auto allowance, increased contribution to CalPERS, furloughs	\$1,189,480
Citywide operational expenses	Hiring freeze, professional services, supplies, equipment, travel/training	\$1,631,848
TOTAL		\$4,043,898

*subject to negotiation/meet and confer with bargaining unit

This week, the City was able to secure its annual short-term financing in order to ensure that the City's cash flow is set for the next fiscal year. The City sold Tax Revenue Anticipation Notes

CITY MANAGER'S UPDATE (CONT'D)

(TRAN) and was able to lock in a one-year rate of 0.85%. The rate, which includes the all-in cost of the financing, is 2.04%. That rate is lower than last year's TRAN borrowing cost of 2.55% and will save the City thousands of dollars over the budgeted estimate. Additionally, the City Council is developing a Fiscal Response Plan that will set out how the City can build back its General Fund Reserve as soon as possible. In reviewing projections and recommendations from consultants, the City Council will discuss making an additional \$1.5 million in cuts beginning this fiscal year .

These additional cuts will likely impact staff positions, including those that provide services that are valued by our residents. Services are provided by people, so staff reductions mean service reductions. When we furlough or lay off employees, residents will experience real, tangible service reductions .

The decisions to reduce staff and services will be difficult and painful. Already, we have heard from many residents who are passionate about the services they use and love. I understand and recognize the concerns that have been shared and the frustration that the City is in this position. What I must do now is work with the City Council and the City team to resolve this situation so that we have a financially healthy City going forward. As we are diligent about reducing our expenses in the short-term, we can build back our savings for the long-term and reimagine the services that we provide to our community in the future.

The City Council will be discussing these budget and service reductions at future public meetings throughout the summer and will schedule a special community budget meeting in mid-July. We will continue to update budget information, including dates for meetings once they are confirmed, on the City's website at el-cerrito.org/annualbudgetprocess .

Similar to the changes we must make to protect our personal and community health, the potential budget cuts are difficult, frustrating, and scary, but necessary. If we look to the future by taking care of our personal, community, and financial health today, together we will get through this to the next normal.

Karen Pinkos
City Manager
City of El Cerrito



CITY MANAGER'S UPDATE

June 18, 2020



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CORONAVIRUS (COVID-19) UPDATES

el-cerrito.org/COVID19 - Please see website for citywide updates.

Contra Costa County Continues to Open Businesses and Activities

The Contra Costa Health Officer has amended the county's health order to allow hair salons and barbers to reopen for business beginning June 17. They must follow state health guidance to reduce the risk of spreading COVID-19.

The new order also increases the number of swimmers who may share a pool to 1 person per 75 square feet, as allowed by the state.

The social distancing order also allows as many as 100 people to attend a funeral or other religious service at an indoor place of worship, in line with the state's health guidance.

Details in the County Health Services [press release](#).

CITY MANAGEMENT/CITY CLERK

Three City Council Seats up for Election in November

In November of 2020, the terms of office for Mayor Lyman, Mayor Pro Tem Fadelli, and Councilmember Pardue-Okimoto will expire. On June 16, 2020, the City Council called an election for the purpose of electing three members to City Council. The term for each seat shall be four years, from November 2020 to November 2024.

The nomination period for these offices will begin on **Monday, July 13, 2020** and close on **Friday, August 7, 2020 at 4 p.m.** If nomination documents from any of the three incumbent officers of the city are not filed by Friday, August 7, 2020, the nomination period will be extended until **Wednesday, August 12, 2020 at 4 p.m.** During this extension period, no incumbent is allowed to file nomination documents.

To be eligible to run for City Council, a candidate must be a resident of El Cerrito and a registered voter at the time nomination documents are issued.

The City Clerk is the Elections Official and primary contact for El Cerrito candidates. To best serve candidates, individuals interested in running for office are encouraged to contact the City Clerk to ask questions. Appointments will be required for issuance, review, and submission of nomination documents. For more information or to schedule an appointment, please contact the City Clerk at cityclerk@ci.el-cerrito.ca.us or (510) 215-4305. Election information is also available online at el-cerrito.org/Elections.

Census 2020

Everyone living in the United States has the right to be counted in the 2020 Census. *Every neighbor, every immigrant, every child* – EVERYONE. What happens in the 2020 census will impact us for many years ahead. Take the census now! http://bit.ly/My_2020census.

**Every neighbor.
Every immigrant.
Every child.
Everyone.**

The Census Counts and So Do You.
censuscounts.org

COMMUNITY DEVELOPMENT

East Bay Economic Development Agency Speaker Series: Restaurant Relaunch



Join the East Bay EDA 2020 Speaker Series: **Restaurant Relaunch Webinar** on **Tuesday, June 23 at 9 a.m.** Jay Coldren, Managing Director, Hospitality and Eat + Drink at Streetsense will discuss the nuts and bolts of Restaurant & Bar Reopening during the COVID-19 pandemic. This webinar is free and open to the public. Register at <http://bit.ly/sseda1>.

EAST BAY EDA SPEAKER SERIES

RESTAURANT
RELAUNCH

TUESDAY, JUNE 23
9:00 AM - 10:00 AM

best practices for
reopening in the
time of covid-19

streetsense

Jay Coldren, Managing
Director of Eat + Drink

REGISTER: bit.ly/sseda1

Low Interest Federal Disaster Loans Available to Small Businesses and Non-Profits Suffering as a Result of COVID-19

As a reminder, the Small Business Administration (SBA) is offering low interest federal disaster loans for working capital to small businesses and non-profit organizations that are suffering substantial economic injury as a result of COVID-19. The [Economic Injury Disaster Loan \(EIDL\) and EIDL Advance program portal](#) is currently open to qualified applicants.



The SBA is also assisting small businesses and non-profits with access to the federal forgivable loan program, the [Paycheck Protection Program](#), which is currently accepting applications until **June 30, 2020**. If you are a business in El Cerrito or Contra Costa County, the [Contra Costa Small Business Development Center](#) provides businesses with help applying for relief, navigating available resources, cash flow concerns, supply chain interruptions, workforce capacity, insurance coverage and more, at no cost. For one-on-one advising, please contact their office at (925) 222-5228 or admin@contracostasbdc.org. You can also visit SBA.gov/Disaster for additional information.

Open for Business? Let us help you get out the word!



Many of El Cerrito's businesses are open and providing essential services: restaurants, grocery stores, pharmacies, and many service-oriented operations. How can you find out which ones are open and when? Try our ["What's Open El Cerrito?"](#) webpage that makes the information easy to find.

If you operate a business that is open during this shelter at home period and is

not in the database, please email mwilliams@ci.el-cerrito.ca.us for instructions.

We thank open essential businesses and are happy to support you during this difficult time.

FIRE

Fire Hazard Reduction

The Fire Department continues to re-inspect properties that were cited for violations to the Vegetation Management Standards. Also, the Department continues to receive complaints of overgrown properties and is following up on all complaints.

Mutual-Aid Fire

Sunday evening, the Fire Department responded with two engines and a battalion chief to provide mutual aid for a 2-alarm structure fire in the Hilltop area of Richmond. The fire was in the old Chevy's Restaurant on Garrity Way. This building has been vacant and occupied by transients off and on, with several small fires in and around the building over the years. This time the fire was well-established and through the roof when crews arrived. Ten engines, 2 trucks, and 3 battalion chiefs representing every agency in West County responded to the call.

ALERTWildfire Cameras Help Firefighters and First Responders

The Fire Department continues to work in cooperation with PG&E and the ALERTWildfire consortium to get additional high-resolution cameras installed that provide a better view of Wildcat Canyon and can be used to pinpoint fires. There are currently 5 cameras from Nichol Knob in Point Richmond to Briones Park in the east and Vollmer Peak that provide a 360-degree view of the canyon area.

These cameras provide a faster way to confirm fires when reported. While the view angle can't be changed by the public, accessing their view can be done at www.alertwildfire.org and clicking on the East and South Bay option.

PUBLIC WORKS

AB 827: Indoor Recycling, Organics, and Trash Containers Required

On October 2, 2019, the Governor signed AB 827 into law. The law requires businesses that are subject to AB 1826 (Mandatory Organics Recycling) and AB 341 (Mandatory Recycling) to provide indoor containers for recycling and green waste alongside their normal refuse containers for customers to use.

By July 1, 2020, businesses that generate 4 cubic yards or more of commercial solid waste are required to provide customer access to a three-stream indoor waste system (including organics, recycling, and trash) if customers purchase goods on the premises for immediate consumption. The containers must be: 1) fully visible and accessible; 2) adjacent to the other containers; and 3) clearly marked with educational signage that indicates what is appropriate to place in each container. The

CITY MANAGER'S UPDATE (CONT'D)

requirement does not apply to full-service restaurants, if the full-service restaurant provides its employees with containers for all three streams (organics, recycling, trash) to collect materials purchased on the premises for immediate consumption and implements a program to collect recyclables and organic waste.

This law is intended to increase the amount of waste that is recycled statewide. CalRecycle will provide outreach and educational materials that cities and businesses will be able to use to implement AB 827. City staff is coordinating with CalRecycle, RecycleMore, East Bay Sanitary, and businesses, on implementation of this new requirement. For more information, please review the City's latest Commercial Recycling Brochure at el-cerrito.org/CurbsideProgram.



If you have questions or would like technical assistance, please contact Laureteen Brazil, Waste Prevention Specialist, to schedule a phone or video consultation at lbrazil@ci.el-cerrito.ca.us or at (510) 559-7686.

Utility Bill Consumer Programs during COVID-19

During this difficult time, many households are facing income challenges and may need assistance managing utility bills. The low-income California Alternate Rates for Energy (CARE) program, which provides up to a 35% bill discount, and the Family Rate Assistance program, which provides an 18% discount, can reduce energy bills for qualified households. In addition, the California Lifeline program provides discounted home or cell phone service for qualified consumers. **Families who previously did not qualify for these discounts may now be able to take immediate action to reduce utility bills by calling their utility to enroll.**

More information on these and other related programs/initiatives can be found at the links below.

- <https://www.cpuc.ca.gov/lowincomerates/> - Discounts on energy bills for income-qualified households (up to 35% bill discount with CARE and up to 18% bill discount with the Family Electric Rate Assistance program)
- <https://www.cpuc.ca.gov/medicalbaseline/> - Extra allowances of energy billed at the lowest rate for customers who rely on life-support equipment
- <https://www.cpuc.ca.gov/LifeLine/> - Discounted home phone and cell phone services to qualified households

RECREATION



Happy to Announce Summer Camp Sessions 2 & 3

Session 2: Monday, July 6 - Wednesday, July 22

Session 3: Monday, July 27- Wednesday, August 12

We are excited to announce that registration opened on Wednesday, June 17, for [Special Summer Camp Sessions 2 & 3](#)! We encourage families to register early, as Session 1 spaces filled quickly. Registration will be accepted online only at el-cerrito.org/onlinereg.

Our experienced and enthusiastic staff have worked hard to deliver program designs and activities that will keep your camper active, engaged, and smiling with joy to be around their friends! While fun is important at camp, safety is our top priority.

It is important to fully understand the camps are quite different from our usual programs, and there are no refunds or cancellations available. Children can only participate in one pod of 12 children (including programs not offered by the City of El Cerrito) during this special camp session. Please review all of the pertinent information on our webpage el-cerrito.org/summercamp, including our updated Parent Handbook, FAQs, and the [Special Camp Session Schedule](#) before registering.

To assist families who may be experiencing a financial hardship, we have extended our scholarship program. Qualifying families can now apply for up to \$150 in scholarship funds regardless of the date they last applied. For more information and the application, please visit el-cerrito.org/scholarship.

El Cerrito Swim Center Opening

The El Cerrito Swim Center is very excited to announce we will be opening on Monday July 6th! We are still working on getting the reservation system and our safety protocols in place. As soon as the information is available, we will post it on our website el-cerrito.org/swimcenter.

Subscribe & Follow

It is important to stay connected during this difficult time. For up-to-date information in the

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El Cerrito Recreation Department, please subscribe to our email newsletter rECnews at el-cerrito.org/recreation

Follow us: Instagram - @ecrecreation | Facebook - @ecrecreation | Twitter - @ElCerritoREC

ATTACHMENTS/FLYERS

- NONE