



City of El Cerrito
 Quarterly General Fund Budget Update
 FY 2023 through December 31, 2022

INTRODUCTION

The City of El Cerrito is pleased to submit the quarterly budget report through December 31, 2022. The Update Report provides a high-level overview of the City's budget status. Funding from the American Rescue Plan Act is managed and tracked from a special revenue fund and, thus, is not reflected in this report.

SUMMARY

The City of El Cerrito is currently on track to meet its FY 2022-23 budget goals. FY 2022-23 revenues are trending on budget, primarily due to increased tax receipts and increased charges for services (detailed below). Similarly, expenditures are on track with most departments spending approximately 45% of their annual budget through the second quarter of FY 2022-23.

GENERAL FUND REVENUES

FY 2022-23 General Fund revenues are budgeted at \$45.7 million. The chart below reflects year-to-date actual revenue collections, percent of collections compared to the budget, and provides comparison to FY 2021-22 actual revenue collections at the 12/31/21 point-in-time.

Revenues	2023 Adopted Budget	YTD Actual 12/31/2022	% of Adopted Budget	YTD Actual 12/31/21
Property and Other Taxes	\$ 28,894,817	\$ 14,086,599	49%	\$ 12,553,478
Licenses & Permits	\$ 893,864	\$ 526,813	59%	\$ 695,713
Fines & Forfeitures	\$ 140,000	\$ 50,293	36%	\$ 91,068
Use of Money and	\$ 434,456	\$ 266,556	61%	\$ 178,147
Intergovernmental	\$ 8,270,048	\$ 3,792,726	46%	\$ 1,759,158
Charges for Services	\$ 5,932,150	\$ 2,840,901	48%	\$ 2,896,381
Other Revenue	\$ 136,000	\$ 262,342	193%	\$ 120,893
Other Financing Sources	\$ 975,781	\$ 0	0%	\$ 476,325
	\$ 45,677,116	\$ 18,775,202	41%	\$ 18,771,163

PROPERTY AND OTHER TAXES

Tax revenues as of December 31, 2021, are at 49% of the adopted FY 2022-23 budget. This is within budget estimates for the fiscal year. The City received the first biannual payment of property taxes in December, which comprise the largest portion of City revenues. Property taxes and specifically real property transfer taxes are trending favorable, and sales tax receipts are \$1 million higher compared to the same period last fiscal year.

LICENSES AND PERMITS

Licenses and permits are currently at 59% of the budgeted revenues. These licenses include building permits, parking permits, and tobacco retailer license fees. Building permits are trending lower than the previous fiscal year primarily due to FY 2022 receipts include catching up on the backlog of permit issuances due to COVID-19. Licenses and permits are on track to meet or exceed the budget.

FINES AND FORFEITURES

The City has collected 36% of the budgeted revenues in the fines and forfeitures category. These items include parking citations, penalties, and moving vehicle citations. Fines are lower than the previous fiscal year due to the overall decrease in vehicular traffic from pre-pandemic levels which results in fewer citations being issued.

USE OF MONEY AND PROPERTY

Use of money and property is currently at 61% of the budgeted revenues for FY 2022-23. This primarily consists of short- and long-term rental fees from City properties and interest income. Due to rising interest rates, interest income has already exceeded the FY 2023 estimate. Rentals are trending higher due to increasing facility rentals.

INTERGOVERNMENTAL REVENUES

Intergovernmental revenues are currently at 46% of the annual budget. These revenues include grants and intergovernmental transfers and reimbursements, but do not include American Rescue Plan Act (ARPA) funds, which are tracked in a special fund for reporting purposes. This line item is trending behind the budget due to the timing of the receipt of the Kensington Fire District contract payments. Revenue is trending higher than the previous fiscal year due to receiving the VLF payment earlier than last year and revenue was delayed for the Kensington Fire District contract in FY 2022 due to timing of contract execution.

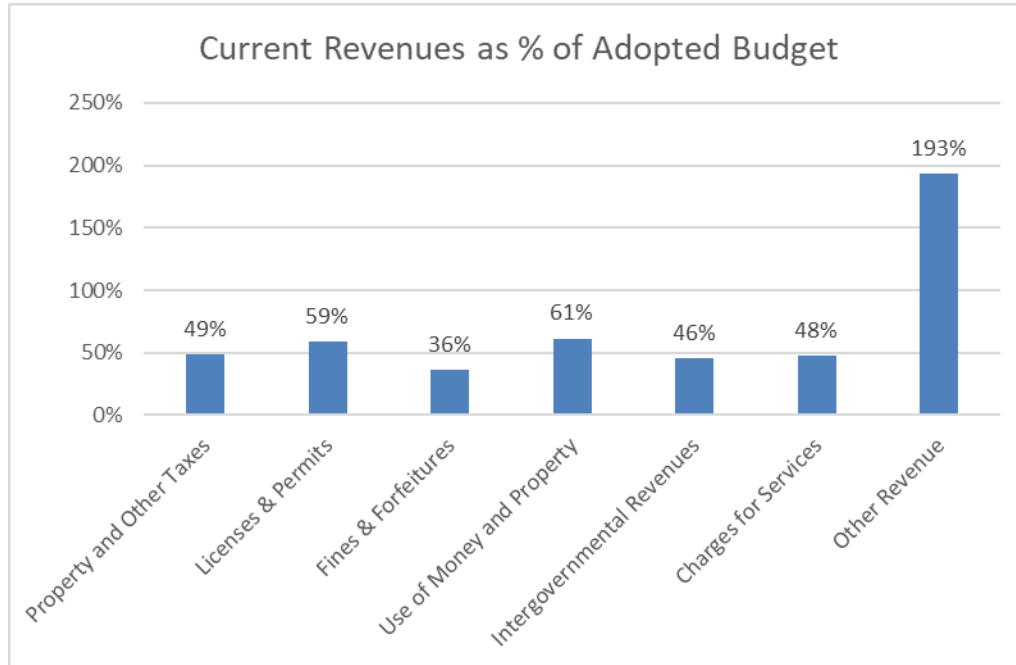
CHARGES FOR SERVICES

Charges for services encompass program fees and charges for doing business with the City of El Cerrito. This includes community development fees for functions such as permitting and inspections, and recreation fees for City programming. The City has received 48% of the budgeted revenues in this category and is trending with the current year collections. Childcare services continue to trend higher than the previous year and recreation programs continue to be in high demand. The Ravencliff Childcare Program reflects negative revenue due to the timing of fee refunds associated with pandemic closures, and programs are back on track.

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OTHER REVENUE/OTHER FINANCING SOURCES

Other revenue includes donations and other miscellaneous revenues. These types of revenues comprise a small portion of the City’s budgeted revenues and operating transfers in. Other Financing Sources refers to loans and indirect transfers.



GENERAL FUND EXPENDITURES

General Fund expenditures are budgeted at \$44.8 million for FY 2022-23. Departments are on track through December 31, 2022, utilizing 45% of budgeted expenditures. Personnel is the largest component of General Fund expenditures (75%), and it is expected that due to the level of current vacancies some departments will need to increase their professional services and/or overtime budgets which will offset potential salary savings. Staff will continue to monitor these expenses.

The chart below shows the year-to-date actual expenditures by department, the percent expensed compared to the budget, and the previous fiscal year’s expenditures for comparison.

Expenditures	2023 Adopted Budget	YTD Actual 12/31/22	% of Adopted Budget	YTD 12/31/21
General Taxes	\$ -	\$ 47,368		\$ -
Administration	\$ 7,424,423	\$ 3,558,794	48%	\$ 2,959,325
Police	\$ 12,986,734	\$ 5,840,564	45%	\$ 5,913,526
Fire	\$ 13,346,883	\$ 6,145,669	46%	\$ 6,343,775
Public Works	\$ 2,307,220	\$ 966,772	42%	\$ 762,953
Community Development	\$ 3,181,129	\$ 1,381,198	43%	\$ 1,485,699
Recreation	\$ 5,559,574	\$ 2,435,934	44%	\$ 2,162,293
Total	\$ 44,805,963	\$ 20,376,298	45%	\$ 19,627,571

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ADMINISTRATION

The Administration's budget is at 48% of the adopted FY 2022-23 budget. This is within budget estimates for the fiscal year. Human Resources costs are trending higher due increased legal services related costs for labor contract negotiations, and increased premium for workers compensation, general liability, and other coverage. The department is trending slightly above actual expenditures for the same point-in-time in FY 2021-22.

POLICE

The Police Department is at 45% of the expenditure budget and projects to remain within budget for the fiscal year. Despite variances at the division/unit expenditures in comparison to prior fiscal year, overall, the Department's expenditures are lower than the same period in FY 2021-22.

FIRE

The Fire Department is at 46% of the expenditure budget, which is higher than the same point-in-time last fiscal year. Increase expenditures related to the new labor agreement, including a 4.5% COLA, retroactive to October 2022 requires additional appropriation and is included in the FY 2022-23 Mid-Year Update.

PUBLIC WORKS

The Public Works Department is 42% expensed for the current budget and on pace for the fiscal year. The budget is trending higher than the previous fiscal year due to operating at full capacity.

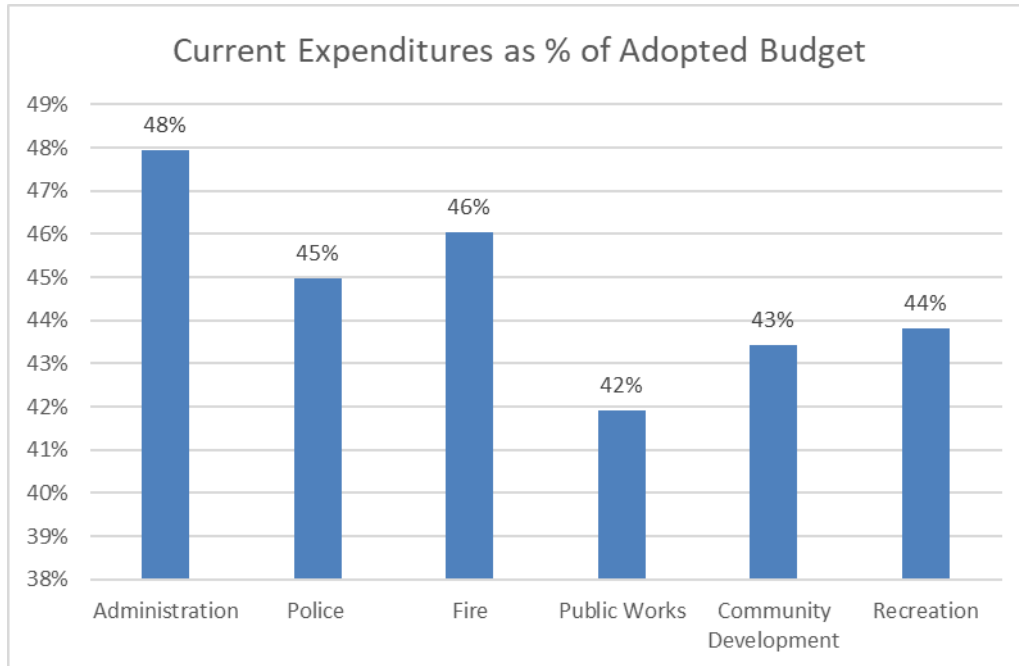
COMMUNITY DEVELOPMENT

The Community Development Department is 43% expensed for the current budget and trending lower for the fiscal year primarily due to timing of projects, and expenditures are trending lower than the same point-in-time in FY 2021-22.

RECREATION

The Recreation Department is 44% expensed for the current budget and on pace to meet its budget. The budget is trending higher than the previous fiscal year due to operating at a more "normal pre-pandemic" program schedule.

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CONCLUSION

Based on the City's overall revenue and expenditure percentages, the City of El Cerrito is well positioned to meet its budget for FY 2022-23. Staff are committed to fiscal responsibility and ensuring that each department's expenditures remain within approved budgets.