



**FISCAL YEAR 2012-13 ADOPTED BUDGET
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

CITY OF EL CERRITO

EMPLOYEES PENSION BOARD

PUBLIC FINANCING AUTHORITY

CITY COUNCIL

Mayor	William C. Jones, III
Mayor Pro Tem	Greg Lyman
Councilmember	Janet Abelson
Councilmember	Rebecca Benassini
Councilmember	Ann Cheng

CITY COUNCIL APPOINTEES

City Manager	Scott Hanin
City Attorney	Sky Woodruff

APPOINTED OFFICIALS

Assistant City Manager	Karen Pinkos
Chief of Police	Sylvia Moir
Fire Chief	Lance Maples
Administrative Services Director	Mary Dodge
Public Works Director	Jerry Bradshaw
Acting Recreation Director	Chris Jones
City Clerk	Cheryl Morse



**CITY OF EL CERRITO
ADOPTED FISCAL YEAR 2012-13 BUDGET
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CITY MANAGER'S TRANSMITTAL LETTER



June 5, 2012

Honorable Mayor and Council Members:

When the City Council developed its first mission statement in 2011, it was impossible to predict that in the short time since its creation it would make such a significant impact on the employees of the City of El Cerrito and on the services they provide. That impact is exemplified in this proposed budget and the level of performance it maintains.

What makes that commitment more relevant is that during this current fiscal year, many employees came forward with their own financial contributions to help solve this year's budget challenges rather than reduce either the quality (exemplary) or quantity (always increasing) of our programs and services. It would be difficult to find in any other City the level of commitment to public service in general and to a local government in particular as shown by our employees who make up nearly 80% of this budget. Across all departments, staff has continued to find creative and innovative ways to not only maintain a high level of baseline services, but also new ways to build upon that base every year with new projects and programs in spite of the annual budget challenges they face, most of which are beyond their control.

Although an economic recovery is often mentioned and forecasted, any such recovery comes to local government much later than in the private sector, resulting in continued challenges for the City. This year is no exception. Of most budgetary significance in El Cerrito this past fiscal year were two key unanticipated events: the dissolution of all Redevelopment Agencies in the State of California by the Governor and Legislature, and the overall reduction in assessed property values in El Cerrito. These two items alone have resulted in approximately \$1 million in lost General Fund revenues. Additionally, revenue projections are very conservative when compared with the prior ten years; this challenges our ability to maintain services when the costs are made up almost entirely by those people providing the service.

As described above, the highest priority for City staff is to maintain the high level of service that El Cerrito is known for, but the budget of the City remains very tight and few funds are available for continued re-investment in the City infrastructure (with the exception of streets). Most notably, parks and play fields and aging facilities such as the Library, Public Safety building and Senior Center require improvement but the funding has not yet been identified.

When developing this budget, a few core principles guided us:

- Service levels, both in terms of quality and quantity, were to remain the same and even increase in certain areas;
- Layoffs would occur only as a last result (none are proposed); and,
- General Fund reserves were not to be used to balance the budget.

In addition, it became clear that in order for these principles to be maintained, City employees would need to contribute in some way financially.

However, in spite of the difficult economy and continued State efforts to limit local government funding and control, El Cerrito continues to maintain and even improve its

services to residents and businesses while many cities have been forced to reduce or eliminate many activities. Accomplishments of note for the current fiscal year include:

- Overall reductions in serious crimes throughout the City
- Completing major street improvements resulting in a street quality ranking second in the Bay Area; up from the bottom ten, less than five years ago
- Opening of our new state-of-the-art Recycling and Environmental Resource Center
- Continued quality improvement measured by the National Citizen Survey
- Continued identification and use of grant funds to support our activities, improve infrastructure and to increase service

Last year, my transmittal letter described the period of transition the City appeared to be entering. In an effort to help better define and guide El Cerrito's future, the City will embark on its first Strategic Planning process this fiscal year, as well as the consideration of a possible City Charter. As the City Council considers these items as well as adoption of the San Pablo Avenue Specific Plan and the kick-off of a review and update to the City's General Plan, it is clear that in many ways, this coming fiscal year will help shape and define the future character of much of this City well into the future. It will hopefully also be the year in which the City finally turns the corner economically.

BUDGET YEAR FOCUS

MISSION STATEMENT AND FISCAL YEAR GOALS

As mentioned above, on May 2, 2011, the Council adopted its Mission Statement for the City:

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.

Additionally, the following goals were identified as priorities and remain so for FY 2012-13:

- Financial Management (Fiscal Responsibility)
- Responsive Government
- Community Engagement and Partnership
- Public Safety
- Economic Development
- Environmental Stewardship
- Support of Multi-Modal Transportation

The Mission Statement and Goals provide the overall policy framework for the budget document. City staff has integrated these concepts within each department narrative, to ensure that departmental objectives are in alignment with the City Council's Goals. The following is an overview of how the City organization has embraced these themes.

Financial Management (Fiscal Responsibility)

Unlike any other year during my tenure in El Cerrito, this proposed budget shows an initial deficit. However, it is our expectation that based on current labor negotiations and City Council direction, the final budget will not only be in balance but also identify funds to ensure the General Fund reserves exceed 10%. This budget attempts to balance conservative revenue projections with realistic expenditure assumptions, protect City reserves, and fulfill our commitment to the employees as best we can, all while maintaining the highest service levels possible.

The City has made continuous attempts to hold down expenses, most notably by limiting employee compensation to median, not offering post-employment health benefits and carefully phasing in hiring for vacant positions. For the first time in at least a decade, many employees will be contributing to the cost of their pension program in order to offset increasing labor costs while the City moves to implement a second tier retirement system to reduce future long term pension costs. Unfortunately, in order to achieve all of our financial objectives, it will once again be necessary to maintain most non-public safety vacancies for the fourth straight fiscal year. At the time of this transmittal, discussions are underway with our three largest labor groups in an effort to obtain financial contributions in order to balance this year's budget. Two smaller groups, the Public Safety Managers and the unrepresented Management Group have agreed to either contribute or forego 2-3% of next fiscal year's salary to help balance the budget.

Responsive Government

In the current fiscal year, the City once again undertook The National Citizen Survey™ (The NCS), a collaborative effort between the National Research Center, Inc. (NRC) and the International City/County Management Association (ICMA). The NCS was developed by NRC to provide a statistically valid survey of resident opinions about community and services provided by local government. The survey results may be used by staff, elected officials and other stakeholders for community planning and resource allocation, program improvement and policy making. The results of this survey provide the opinions of a representative sample of residents about community quality of life, service delivery, civic participation and unique issues of local interest. A periodic sounding of resident opinion offers staff, elected officials and other stakeholders an opportunity to identify challenges and to plan for and evaluate improvements and to sustain services and amenities for long-term success.

In general, survey respondents demonstrated trust in local government. A majority rated the overall direction being taken by the City of El Cerrito as "good" or "excellent." This was much higher than the benchmark of cities across the nation. Those residents who had interacted with an employee of the City of El Cerrito in the previous 12 months gave high marks to those employees. Most rated their overall impression of employees as "excellent" or "good." Of particular note, 93% of respondents said they would recommend El Cerrito as a place to live to someone who asks and 88% responded that they planned to stay for at least five years.

Overall, ratings for many of El Cerritos services and community features increased significantly compared to the previous survey. Increased ratings were found for ease of car travel, ease of bus travel, ease of walking, street repair, street cleaning, street lighting and sidewalk maintenance. Ratings also increased for land use, planning, and zoning, code enforcement, animal control, crime prevention, fire prevention and education, air quality, recycling, City parks, recreation centers and others.

Community Engagement and Partnership

Citizen participation continues to be a high priority for City staff. Through a new website, quarterly newsletters, frequent mailings and postcards, list serves and broadcast of our

City Council meetings, staff remains committed to openness and accountability in all of the services we provide.

As mentioned above, the City is beginning a Strategic Planning process. A key component of that process is citizen involvement. In an effort to maximize participation, staff will be looking to actively involve residents and the business community in envisioning what El Cerrito will look like in the future.

Events like the annual Earth Day work parties and National Night Out block parties, as well as Green Team clean-ups and special events like the July 4th Festival and the recent "Street Play" events illustrate how active citizens and an engaged business community help enrich El Cerrito.

Public Safety

The Police Department remains committed to evolving in its service delivery and genuine transparency with our community. Having spent the past year operating under the new Mission Statement of: "*We are committed to safety, service and enhancing the public trust through professionalism and leadership*", each member of the Police Department generated a renewed sense of commitment in his or her part toward fulfilling the mission. Recognizing that partnerships between the community and the Police Department are the foundation of the public trust, our collective crime reduction efforts, and our communities' faith in the Police, we emphasized that each contact reflects the Department's individual and organizational character. Additionally, a renewed emphasis has been placed on the public's safety with new approaches in crime fighting being deployed that includes more flexibility than traditional patrol, using bicycle, motorcycle and K-9 patrols to further enhance the City's efforts.

In FY 2012-13, the Fire Department plans to continue its programs that have built a foundation for the service levels our citizens have become accustomed to. Fire Department staff will continue its aggressive training program to be prepared for all risk disasters by completing a second class of Firefighters through Urban Search and Rescue training. The Department's public education program will continue to provide CERT training to our citizens to elevate their ability to be self sufficient in the event of a disaster. As in past years, the Department will continue to support and strengthen all automatic aid agreements with surrounding jurisdictions. The Department will also continue to aggressively seek grant funding for operational and training needs to offset these costs to the City. To that end, the Fire Department will complete these tasks while also being prepared to respond to the emergencies our community faces on a daily basis while being as cost effective as possible.

Environmental Stewardship

The City continues to dedicate itself to environmental stewardship and leadership on numerous fronts. In Spring 2012, the City completed construction and reopening of the Recycling and Environmental Resource Center while continuing to operate both curbside recycling and a temporary community drop-off recycling facility. Environmental Services Division staff continued to develop the City's Climate Action Plan to meet the City Council's goals to reduce Greenhouse Gas Emissions, and also implemented numerous energy efficiency projects for municipal operations and assisted residents to also lessen their environmental footprint. Using a combination of funds from the EPA Climate Showcase grant, ARRA/Energy Efficiency and Conservation Block grants, PG&E rebates, and the City's Energy and Water Efficiency Program, the City implemented approximately \$180,000 in energy efficiency improvements in municipal facilities resulting in an approximately 26% decrease in energy use in the improved facilities. Staff also provided assistance to City residents and businesses to assess and

implement energy efficiency projects, resulting in an annual reduction of approximately 42 tons of Greenhouse Gas Emissions.

A draft Climate Action Plan will be released this summer. Community involvement and education in environmental issues is on the increase and together staff and the community hosted eight Green Team events in addition to the City's annual Earth Day event which together attracted over 375 participants working on 33 greening projects throughout the City. Together, the Environmental Quality Committee and staff are moving toward efforts to reduce waste through promoting more environmentally-friendly foodwares and are studying the possibility of moving forward with recommending an ordinance for the City Council to consider on this issue in the upcoming year. In order to continue to be proactive in pursuing environmental improvements, staff continues to aggressively seek outside grant funding, and in 2012 was awarded a CalFire Urban and Community Forestry grant to conduct a citywide tree inventory and a Proposition 84/Urban Greening grant to develop a Citywide Urban Greening Plan. Both efforts will begin in FY 2012-13.

Economic Development

With the dissolution of the El Cerrito Redevelopment Agency by the State of California during the past year, the City faced direct impacts to City personnel, resources and functions. In response to these impacts, staff felt changes to the organizational structure of the City were necessary going forward. This fiscal year, the former Economic Development Department (which had been largely funded by the former Redevelopment Agency) has been changed to become the Economic Development and Housing Division and will be housed within City Management. The position of Economic Development Director has been left vacant, and the Division staff will report directly to the City Manager. By retaining the functions of the former Economic Development Department directly under City Management, the City can ensure that the City Council's goal of Economic Development is still being prioritized appropriately despite the loss of resources for the support of many of the former Department's functions.

Despite dissolution of the Redevelopment Agency, however, the Economic Development and Housing Division will maintain efforts to attract investment to the community. This will include focusing on recruiting businesses that can provide desirable goods, services, and employment; identifying opportunities for new development; and continuing support of affordable housing development. The State's weak economy and uncertain budget situation have hindered these efforts, but Economic Development staff continues to lay the groundwork for renewed interest in business and real estate investment, all in the context of equitable and sustainable revitalization.

In FY 2011-12, this work included completion of the Transit-Oriented Development Feasibility and Parking Study to establish development and parking standards to promote development; establishment of a contractual relationship with the El Cerrito Municipal Services Corporation to assist in pre-development activities on its properties and support its economic development programs; and initiation of pre-development analysis with a developer/consultant for the Del Norte Area.

Economic Development staff had success in recruiting a national retail tenant to fill an upcoming vacant space and saw the results of prior years' work fulfilled in the opening of El Cerrito's first brewpub, Elevation 66, and the opening of a new Safeway in the former Target property. Other activities included business visitations and the third installment of "New Venture Training" series for small businesses. Despite affordable housing program being curtailed by Redevelopment dissolution, staff continued current projects, including managing the exclusive negotiating rights agreement with Eden Housing for the mixed-

use senior housing project adjacent to City Hall and supporting Resources for Community Development as it pursues funding for its Ohlone Gardens multi-family special-needs housing project on Portola Drive.

As funding allows, the Division will focus on identifying and implementing post-Redevelopment tools and resources for community investment, business recruitment and retention, and affordable housing. Specific efforts will include creating business and real estate development opportunities at key locations, including the Del Norte BART station, Midtown and the El Cerrito Plaza/Theater district; initiating pre-development activities on MSC-owned properties; working with property owners and businesses on better use of underutilized property and buildings particularly the Moeser Lane Shopping Center; supporting the completion of public improvements in the Del Norte Area; and continuing to support Eden Housing and Ohlone Gardens in project planning and pursuit of funding.

Support of Multi Modal Transportation

The City is committed to providing a transportation system that allows safe, efficient and accessible travel by a variety of modes. In FY 2011-12, the City established an internal Multimodal Transportation team which hosted its first ever public Bicycle Town Hall Meeting; pursued funding for planning and construction of transit access, bicycle and pedestrian infrastructure improvements; and coordinated regionally on non-motorized and transit related issues. In FY 2012-13, with grant funding, the City will begin an update of its Circulation Plan for Bicyclists and Pedestrians and embark on the San Pablo Avenue Complete Streets Plan to help establish multimodal levels of service for inclusion in our General Plan Update. Also, as part of the regional I-80 Integrated Corridor Mobility Project, several transit enhancements will be implemented in El Cerrito and West Contra Costa County including a bus-only lane for the El Cerrito Del Norte BART Station on eastbound Cutting Boulevard; expansion of transit signal priority (TSP) on San Pablo Avenue, crossing arterials, and on-ramps used by buses along I-80; and improved travel time reliability on I-80. Also with grant funding, in FY 2012-13 the City will embark upon developing an Urban Greening Plan: "Green Vision 2035". A key component of the Plan will be to address the issue of walkability- making it more attractive to walk places and identifying projects and programs that will contribute to an interconnected walking environment.

ADOPTED BUDGET FY 2012-13

OVERVIEW

The Fiscal Year 2012-13 Adopted Operating Budget provides funding for all City services including police, fire, recreation, economic development, redevelopment, public works, building, planning, environmental and administrative services. Although the City's primary operating fund, the General Fund, is proposed to be initially out of balance, negotiations are currently underway and expenses identified that will ultimately bring the final budget into balance and ideally ensure a minimum of 10 percent reserves.

As we have discussed on a number of occasions, El Cerrito has weathered the recent economic turmoil better than many cities throughout the State and nationally. However, a number of challenges continue to confront the City including the dissolution of Redevelopment, a reduction in assessed property values and the continued increase to employee benefit costs. In spite of these concerns, all services remain intact and continue to be provided at levels higher than in most other cities. In order to develop the budget, a number of assumptions have been made and actions undertaken, including but not limited to the following:

- No reductions to current filled staff positions are proposed
- Nine vacancies will remain, including the vacant Building Official position
- Certain employees will increase their CalPERS contributions by 3 percent
- Roughly \$313,000 of additional savings (largely through wage reductions) are still necessary to balance budget AND an additional \$152,000 are needed to solidify the reserve amount at 10.2%
- Recruiting, hiring and training new police officer recruits (both lateral and candidate police officers) to fill open positions wisely and expeditiously to ensure the best possible police officers for the City
- The Fire Department, while fully staffed operationally, will rely on overtime rather than fill two of the three authorized “coverage” positions, similar to last two years (results in approximate \$150,000 in savings)
- No new positions are proposed
- Capital projects funded outside of the General Fund will progress as planned but no General Fund contributions are included for capital
- Contract help in certain areas will continue until revenues stabilize at a sustainable level
- No use of unrestricted General Fund reserves

RESERVES

Under the current reserve policy, it is the intent of the Council to require reserves to not fall below 10% of projected General Fund operating expenses unless there was a financial emergency or some other unanticipated event, and to continually develop a plan to increase reserves to 15%. In the event the Council authorizes reserves to dip below 10%, a ten-year plan would need to be developed to return the amount to 10% and eventually 15% of overall expenditures. As a result of the ongoing economic crisis, during FY 2010-11, the City Council authorized the use of approximately \$530,000 of reserves to balance the budget and maintain current service levels.

As you review the ten year plan, you will see that staff has projected a 10.2% reserve at the end of FY 2012-13, consistent with this policy, assuming an additional approximately \$465,000 of savings are implemented during the fiscal year. The General Fund 10-year Plan identifies a strategy to grow those reserves to the 15% target and maintain them at that level. However, in order to accomplish this, employee compensation is projected to level off as comparative cities cap or reduce salary increases and benefit costs are controlled. Additionally, in order to achieve these reserve amounts, it is assumed that next fiscal year and beyond, employees will begin to cover a greater share of the CalPERS pension costs, and other personnel or service related savings will need to be identified. These items will be identified prior to final adoption of the operating budget and/or as needed in continued budget discussions and consideration with the City Council.

EMPLOYEE COMPENSATION

As discussed in the past, employee compensation has been set by the City Council's policy of “median” compensation. That is to say, at any given time, it is the City's goal to provide compensation (salary and benefits) to its employees at the 50th percentile of a

group of roughly 20 other East Bay cities as determined by a compensation study. As a reminder, it was only a few years ago when the City's current compensation program was not effective in recruiting and retaining employees in certain areas such as police and engineering. The City has worked diligently to attract and hire a professional staff that provides the very services that the community expects. It is in this context that unrepresented employees will have their compensation reduced next fiscal year as a result of no cost of living adjustment (COLA) coupled with increased participation in covering pension costs. Three groups that were entitled to receive a COLA have been asked to forego these adjustments in an effort to balance the budget and maintain service. As of this writing, the Public Safety Managers group has agreed to forego their COLA. With the tough economy and increased benefit costs, the City struggles annually to maintain a median compensation level for its employees.

As noted in prior years, the proportion of the City budget dedicated to personnel has risen to approximately 80%. Based on regular reviews and surveys of surrounding agencies, the salary and benefits provided to our employees remains at or below median with few if any exceptions, without the medical-after-retirement benefit offered by most public agencies. However, the primary growth in employee costs is associated with significant increases in pension and medical costs. The table below shows the recent increases in costs per employee (increases continue back to 2001, when pension costs to the City were zero), mostly a result of CalPERS losses and increased medical expenses.

Employee Benefit Costs

	FY07	FY08	FY09	FY10	FY11	Budget FY12	Projected FY13	Projected FY14 *
Benefit Costs								
Health, Dental, Life Insurance	2,001,611	2,296,493	2,471,859	2,614,014	2,826,138	3,075,147	3,304,463	3,552,207
Pension Contributions	3,622,202	3,912,701	4,207,504	4,195,313	4,385,138	5,380,323	5,456,373	5,828,532
Percentage Change from Prior Year								
Health, Dental, Life Insurance	14.2%	14.7%	7.6%	5.8%	8.1%	8.8%	7.5%	7.5%
Pension Contributions	18.6%	8.0%	7.5%	-0.3%	4.5%	22.7%	1.4%	6.8%
Headcount								
Health, Dental, Life Ins. per Head	185.6	187.7	192.4	192.6	189.6	189.6	190.6	190.6
Pension Contributions per Head	10,785	12,238	12,848	13,572	14,906	16,219	17,337	18,637
	19,516	20,851	21,869	21,783	23,128	28,377	28,627	30,580

* FY14 and FY15 was less than 1/2% increase in PERS prior to March CalPERS Board action.

Talk of pension reform and the sustainability of public employee compensation is an everyday occurrence, and it is not likely to go away as Statewide reform measures are expected to be proposed in the near future. Although El Cerrito has arguably been more prudent than many other agencies, it will be necessary for all of us to continue a dialogue on the appropriate and reasonable amount of employee compensation that will still allow us to recruit and retain excellent employees in order to maintain our high level of service.

REDEVELOPMENT AGENCY

Due to the dissolution of the El Cerrito Redevelopment Agency by the State of California, the structure and funding of the economic development and affordable housing functions were in flux during FY 2011-12.

Staffing budgets funded by the Redevelopment Agency's Capital Fund were transferred to the City's General Fund upon dissolution. In the spring, the City entered into an agreement with the El Cerrito Municipal Services Corporation (MSC) to provide

consulting services for the remainder of the fiscal year. The MSC, a nonprofit public benefit corporation, had an existing agreement with the Redevelopment Agency for implementation of redevelopment and economic development project and programs pursuant to the City of El Cerrito Redevelopment Plan.

Housing staffing, operating budgets, and encumbered funds were transferred from the Redevelopment Agency's Low & Moderate Income Housing Fund to a newly established City Low & Moderate Income Housing Fund pursuant to an existing Cooperation Agreement with the Redevelopment Agency. Upon dissolution of the Redevelopment Agency, the City formally elected to assume the housing functions, assets and liabilities from the Redevelopment Agency, pursuant to the dissolution legislation.

Discussion of the Redevelopment Agency dissolution and the establishment of the Successor Agency to the El Cerrito Redevelopment Agency are discussed in Section 9. The Redevelopment Agency no longer has budget authority and therefore there is no budget proposed for FY 2012-13. As previously discussed, for FY 2012-13 the Economic Development Department will become the Economic Development & Housing Division of City Management.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

The Capital Improvement Program (CIP) currently has 45 identified projects, including 22 active projects that are either in construction or undergoing planning/design. Current year appropriations total \$5.4 million. Similar to recent years, the General Fund is making no significant contribution to the Program. The list below describes how the CIP relates to the City Council goals:

- Public Safety
 - Safe Routes to School
 - Bike, Ped & Traffic Safety Projects
- Environmental Stewardship
 - Ohlone Natural Area
 - Solar Energy Procurement
- Multi-Modal Transportation
 - Bike & Pedestrian Enhancements
 - Bus Stop Improvements
- Economic Development
 - Central & Liberty Streetscape
- Fiscally Responsible
 - Budget Controls
 - Value Engineering
- Responsive Government
 - Projects developed with a pulse on the community
 - Partnering with other agencies
- Community Engagement and Partnership
 - Numerous community meetings
 - Working closely with residents and businesses

* * * * *

This past year the City of El Cerrito was honored with its second Government Finance Officers Association of USA/Canada (GFOA) Distinguished Budget Presentation award. This continued achievement is a goal of City Management, and staff is extremely proud to again receive this award that reflects a nationally recognized standard for budget documents prepared by local agencies. Additionally, the City has received the California Society of Municipal Finance Officers (CSMFO) Budget Award for the 7th year in a row.

I would like to thank all of the Department Heads and Managers for their hard work, diligence and high standards in their contributions to the budget document. In particular, I would like to thank Karen Pinkos, the Assistant City Manager, Mary Dodge, the City's Administrative Services Director and Geoffrey Thomas, the City's Finance Manager, for their work in developing and continuously improving the document over the past few years to achieve this award-winning status for the City. Most importantly, I would like to thank all of the City employees who graciously stepped up to contribute financially to this budget in order to maintain the programs and service levels our residents and businesses desire.

Again, on behalf of all the staff, I present a budget that will continue to serve our City well.

Respectfully,

A handwritten signature in black ink, appearing to read "Scott Hanin". The signature is fluid and cursive, with a prominent initial "S" and a long, sweeping underline.

Scott Hanin
City Manager

BUDGET GUIDE

The budget is the City's fundamental policy document and communicates the expenditures legally appropriated by the City Council for the fiscal year. It describes the City's Mission, goals and objectives and indicates how resources are allocated to achieve these goals. In addition to its role as a policy document, the budget also serves as a financial plan, an operations guide and a communications tool. Following is a brief description of the major sections of the document.

Budget Overview

The Budget Overview section provides summary financial information regarding projected revenues, expenditures, fund balances and reserves as well as transfers between funds. This section includes the summary analysis of all funds, details of all inter-fund transfers as well as information describing significant changes compared to the prior year's budget.

General Fund

This section reviews detailed assumptions in the General Fund, the city's main operating fund. It presents historical data, a discussion of current programs and activities, future concerns and strategies as well as the ten-year plan.

Department Operating Budgets

The departmental operating budget sections describe historical and adopted expenditures by department and division. Each section also describes its mission, ongoing and future objectives, and an organizational and personnel overview and workload statistics. The City is organized into seven operating departments: City Management, Administrative Services, Economic Development, Environmental and Developmental Services, Fire, Police, Public Works, and Recreation.

Other Entities

This section outlines the adopted revenues and expenditures for the City's other legal entities: the Employees Pension Fund and the Public Financing Authority.

Capital Improvement Program

The Capital Improvement Program (CIP) section details the adopted capital projects for Fiscal Years 2012-13 through 2021-22. It includes a description of those capital projects previously funded and other Capital Improvement Needs that are presented as a non-prioritized listing of those proposed projects or programs for which no funding has been currently identified.

Long Term Debt

The City has various long-term commitments for payments that range from accumulated benefits due to employees to debt obligations to be repaid from various revenue sources. These obligations are discussed in this section and supported with the FY 2010-11 audit information.

Appendices and Statistics

The final section of this document contains a glossary of budget terms, a demographic profile and various statistics intended to assist the reader in achieving a greater understanding of El Cerrito as a community. This section also holds the financial policies referred to throughout the document.

