



**FISCAL YEAR 2013-14 PROPOSED BUDGET
FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

CITY OF EL CERRITO

EMPLOYEES PENSION BOARD

PUBLIC FINANCING AUTHORITY

CITY COUNCIL

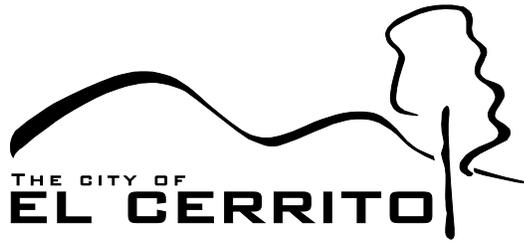
Mayor Gregory B. Lyman
Mayor Pro Tem Janet Abelson
Councilmember Rebecca Benassini
Councilmember Jan Bridges
Councilmember Mark Friedman

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
Acting Community Development Director Melanie Mintz
Finance Director Lisa Malek-Zadeh
Acting Public Works Director Yvetteh Ortiz
Recreation Director Chris Jones
City Clerk Cheryl Morse



OUR VISION

The City of El Cerrito is a safe, connected, and environmentally focused Bay Area destination with vibrant neighborhoods, businesses and public places, and diverse cultural, educational and recreational opportunities for people of all ages.

OUR MISSION

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.

OUR VALUES

Our values drive behavior and support effective implementation of the mission, vision, and goals.

The City's values include:

Ethics and Integrity

Fiscal Responsibility

Inclusiveness

Innovation and Creativity

Professional Excellence

Responsiveness

Transparency and Open Communication

CITY OF EL CERRITO
 PROPOSED FISCAL YEAR 2013-14 BUDGET
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June 4, 2013

Honorable Mayor and Council Members:

Each spring staff comes before you to present the proposed budget for the next fiscal year; a document that describes our financial position as well as the program of services and activities the City provides to its residents and businesses. Unfortunately, for most cities, recent budgets have emphasized State takeaways, a struggling economy, a real estate crash, pension reform and the loss of redevelopment. Make no mistake; these unhappy topics seemed to dominate much of El Cerrito's focus over the past few years. However, because of the commitment and dedication of our staff, the leadership of the City Council and the trust of our community, we have managed to not only maintain our quality and breadth of services but do more each year.

Although in reality, the City continues to face significant financial challenges posed by the loss of redevelopment and subsequent battles with the State, property tax revenues that lag well behind the current strong market conditions, a limited sales tax base (reduced dramatically next fiscal year due to a one-time "true up", related to property tax collections), and very large and increasing pension and medical costs for our employees, the City must remain dedicated to its mission and look to the future. Although we must describe these challenges, this letter and the budget book attempts to focus on our accomplishments and the positive future we have as a City and not dwell on our challenges and risks.

While the City Council was focused on the Strategic Plan and the future, staff has been looking inward on how to go forward in spite of these constant budget challenges not by sheltering in place or feeling sorry for ourselves but facing the brutal facts, understanding our mission, being more efficient and creative and reorganizing ourselves to continue to provide the exemplary services our community expects. To that end, we have reorganized a number of our operating departments, re-evaluated staffing levels and where appropriate eliminated certain positions, created a few new positions and held other positions vacant until such time they could be responsibly filled.

As has been discussed in the recent past, El Cerrito is a City in transition. While respecting our past and building on recent success it is a time to look to the future. To that end, the City Council embarked on a process in 2011 that began with the development of a Mission Statement and recently resulted in the adoption of a Strategic Plan for the City – a Plan that lays out the Mission, Vision, Values and Strategies for the City over the coming years. That Plan provides the framework for this proposed budget and is discussed and incorporated throughout the document. The Plan describes:

OUR VISION

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OUR MISSION

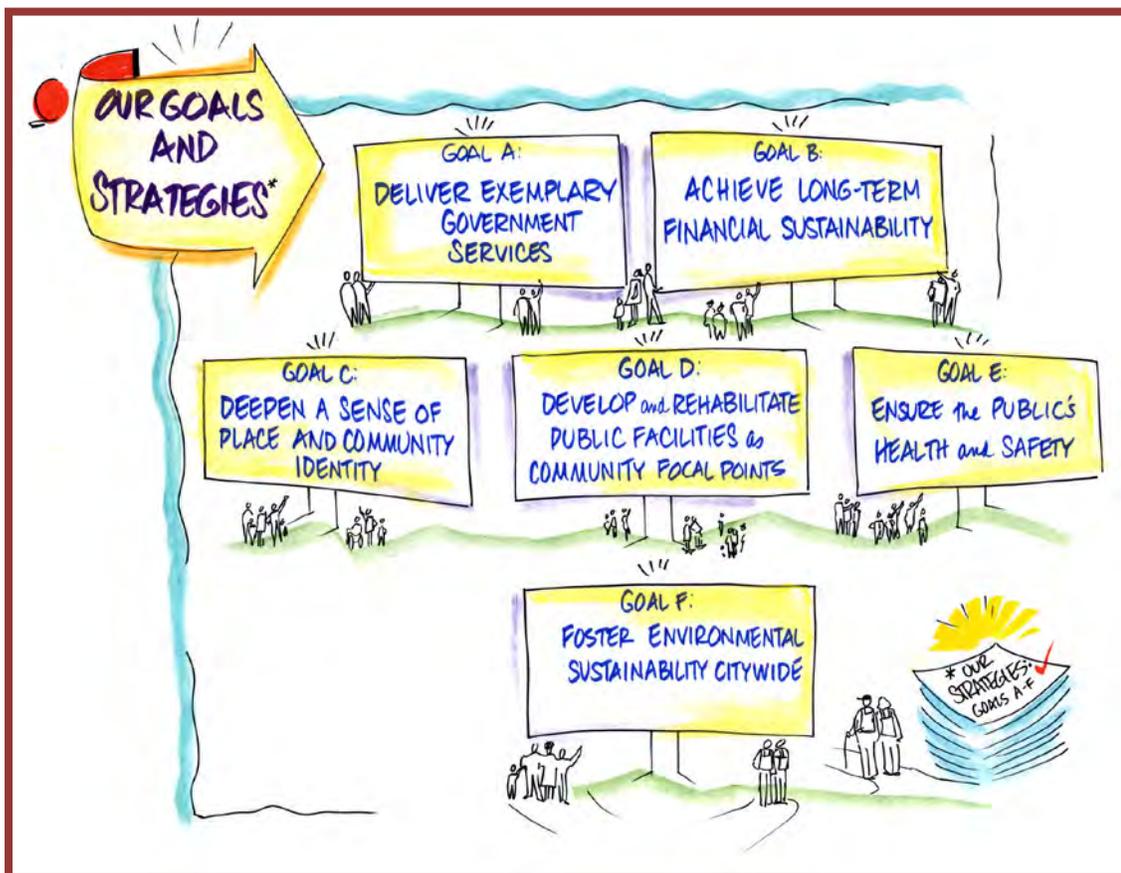
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OUR VALUES

Our values drive behavior and support effective implementation of the mission, vision, and goals. The City's values include:

- Ethics and Integrity
- Fiscal Responsibility
- Inclusiveness
- Innovation and Creativity
- Professional Excellence
- Responsiveness
- Transparency and Open Communication

The Goals of the plan are illustrated below:



FISCAL YEAR 2012-13 ACCOMPLISHMENTS

During the last fiscal year and years prior, much has been accomplished and should be recognized. Many of our accomplishments go to the core services that make up almost the entire General Fund. Many of our recent accomplishments by Strategic Plan Goal Area follow:

Deliver Exemplary Government Services

- Numerous awards and recognitions, including:
 - Parent's Press Magazine Best Spring Break Camp, Best Swimming Lessons, Best 4th of July in Contra Costa County
 - Award for Excellence in Financial Reporting, Operational Budgeting and Distinguished Budget
 - ABAG Growing Smarter Together Award and Sustainable Contra Costa Government Leadership Award for Recycling + Environmental Resource Center
- Strengthened relationships with partners, including:
 - Implemented new Intern Program for El Cerrito High School Students in collaboration with the WCCUSD
 - Initiated monthly coordinating meetings with BART to achieve TOD goals
- Extensive community engagement and interaction
 - Managed over 70,000 transactions in Recreation Department
 - Launched and continued E-Newsletters with ~4,000 subscribers
 - Supported and directed numerous special events including July 4th Celebration, Annual Egg Hunt, Golf Tournament, Halloween Haunted House and Carnival, Bike to Work Day, Earth Day Cinema in The Park
 - Four Citywide newsletters including one budget-in brief special insert
 - 9 community meetings on Strategic Plan (6 focus groups, 2 council meetings, Open House) as well as online forums to solicit community feedback
 - Currently, the City has over 800 followers on Twitter (“@cityofelcerrito”)
 - The Arts and Culture Commission-approved design proposal for 12 wind sculptures on San Pablo Ave (as of May 2013, five of the 12 have been installed.)
- Implemented and maintained a busy Passport Acceptance Office
- Implemented new technologies to increase efficiency and reduce costs, including:
 - Two virtual servers eliminating the need to purchase new servers and results in significant reduction in energy costs
 - Fingerprint readers and report writing software allowing police officers to prepare reports in their cars

Achieve Long Term Financial Sustainability

- Refinanced Storm Drain, Recycling Center, Equipment and Swim Center bonds & loans, resulting in substantial interest savings
- Prevailed in the Successor Agency's challenge of the State's July True Up Payment Demand (\$1.7M)
- Upgraded the HR/Payroll software module and the implementation of position control and position budgeting
- Completed Operations & Rate Review of East Bay Sanitary Company and executed extension of the Franchise Agreement resulting in greater revenues, increased solid waste services, and smaller rate increases

- Received the award for Excellence in Financial Reporting from the Governmental Finance Officers Association (GFOA)
- Received the award for Excellence in Operational Budgeting from the California Society of Municipal Finance Officers and the Distinguished Budget Award from the GFOA
- Issued Tax Revenue Anticipation Notes in response to cash shortfall
- Improved fee based programs
 - Successfully recruited volunteers to teach fee-based classes
 - Expanded usable space and hours at Splash Park
- Successfully applied for and implemented grant-funded projects and programs

Deepen a Sense of Place and Community Identity

- Worked to foster local small businesses
 - Expanded Annual Entrepreneur Training and Small Business Workshop series
- Partnered to develop high-quality housing in City's Priority Development Area (PDA)
 - Completed grant agreement for Ohlone Gardens Mixed Use Housing
 - Resolved property transfer issues for Eden Housing project and began entitlement process for 63-unit affordable housing project
 - Initiated pre-entitlement phase for catalyst Transit-Oriented Development at Mayfair site adjacent to del Norte
 - Participated in CCTA PDA Working group on development of a PDA Growth and Investment Strategy
- Initiated development of citywide Urban Greening Plan
 - Launched Urban Greening Task Force and community engagement process
- Began final phase of San Pablo Avenue Specific Plan
 - Secured funding to integrate San Pablo Avenue Complete Streets and Multimodal Capital Improvement Plan
- Ongoing partnerships with community groups to improve and maintain the City's open spaces

Develop & Rehabilitate Public Facilities as Community Focal Points

Unfortunately, this is an area in which we are lacking of late. After rebuilding our swim center and a new City Hall, there has been no identification of funding for new city facilities. In order to restart our efforts, staff has initiated a survey of residents on their opinions related to new facilities, including the public safety building, library, senior center and other recreational facilities in the City. This was a process similar to that which created our strategy to repair and replace our local streets.

Ensure the Public's Health & Safety

- Received a Department of Homeland Security Assistance to Firefighter Grant in the amount of \$2 million for the purchase of self-contained breathing apparatus
- Trained three firefighters to the level of Rescue Systems II funded by a Department of Homeland Security grant
- Completed a firefighter recruitment process and hired three new firefighters
- Received Grant for the purchase and distribution of portable radios for all of the fire departments within Contra Costa County
- Initiated social media forums such as Nixle and Twitter for information dissemination

- Organized and held full department training in use of force and firearms for enhanced readiness
- Facilitated the roll-out of East Bay Regional Communication System radios to all sworn personnel
- K-9 Koda successfully passed his training and was deployed into the field
- Successfully trained newly hired officers
- Deployed the Incident Command Vehicle during several high-profile criminal events
- Increased vacation home check program for our residents
- Completed construction of the Arlington Boulevard Safe Routes to School Improvements Project
- Began construction of the Potrero Avenue between E. 55th and E. 56th Streets Safety Improvements, Municipal Solar Procurement and Moeser & Ashbury Pedestrian and Bicycle Corridor Improvements Projects
- Coordinated construction of BART's Earthquake Safety Program and impacts on the Ohlone Greenway and City streets with City-sponsored projects
- Began the development of Circulation Plan for Bicyclists and Pedestrian Update (to be known as the Active Transportation Plan) and the San Pablo Avenue Complete Streets Plan
- Applied for and were awarded a federal Highway Safety Improvement Grant for the Arlington Boulevard Curve at Brewster Drive Improvement Project
- As part of Measure A Street Improvement Program, designed the 2013 Street Improvement & Pavement Rehabilitation Projects to resurface various streets as well as install related improvements to curb, gutter, sidewalk, curb ramps, storm drain facilities and traffic striping

Foster Environmental Sustainability Citywide

- Conducted a citywide tree inventory and implemented new tree management software using a competitive grant secured last year from the US Forest Service and Cal Fire
- Installed 46 Storm Drain Trash Capture Devices funded by a grant through the SF Estuary Partnership as required by the NPDES, Municipal Regional Permit (MRP)
- Completed and adopted the Climate Action Plan
- Completed a citywide solar procurement process
- Marketed regional home energy efficiency program to El Cerrito residents and converted Swim and Community Center outdoor lighting to LED lamps
- Selected as STAR Communities Pilot Program participant and initiated Citywide self-assessment
- Coordinated new programs at Recycling and Environmental Resource Center that established the Center as a leader and regional model for municipal environmental activities and initiative
- Implemented Mandatory Commercial Recycling Requirements per AB341 and documented 100% commercial and multi-family compliance with the law via participation in recycling collection programs

PROPOSED BUDGET FY 2013-14 OVERVIEW

The Fiscal Year 2013-14 Proposed Operating Budget provides funding for all City services including police, fire, recreation, community development, public works, building, planning, environmental and city management services. Although the City's primary operating fund, the General Fund, is proposed to be in balance, there is not much of a working margin. A number of worthy projects, policies and programs have not been included due to a lack of funds. Our special funds are also at their limits and in some cases, running a temporary shortfall. These

funds, which could be used more for specific purposes are now used primarily to back fill services that the General Fund cannot support. A greater emphasis on these funds can be seen throughout this year’s budget book.

The chart below provides an overview of the entire operating budget for next fiscal year:

	FY 2014 Proposed Revenues	FY 2014 Proposed Expenditures
General Fund	\$28,479,079	\$28,453,592
Special Funds		
Gas Tax Fund	\$1,150,336	\$1,253,937
Landscape and Lighting	\$1,316,000	\$1,314,327
Street Improvement Fund	\$2,517,000	\$3,015,684
Federal, State and Local Grants	\$203,498	\$914,783
Capital Improvements	\$3,160,245	\$3,478,220
Integrated Waste Management	\$2,042,364	\$2,174,295
Other Funds	\$4,566,838	\$5,202,634
Total Special Funds	\$14,956,281	\$17,353,880
Total All Funds	\$43,435,360	\$45,807,472

*Adopted numbers include Transfer Ins and Transfer Outs

As you can see, the dedicated funds we have come to rely upon are projected to exceed \$17.3 million. These funds have become an integral part of funding our programs and services and will be described on greater detail with projections beyond next fiscal year.

In spite of our annual challenges, all services remain intact and continue to be provided at levels higher than in most other cities. In order to develop the budget, staff has utilized a diverse strategy, including but not limited to the following:

- No reductions to current filled staff positions are proposed
- 19 positions have been eliminated over time
- 10 vacancies will remain
- All collective bargaining agreements have been followed with no additional concessions from employees
- Approximately \$600,000 of economic development related expenses are offset by a prior grant from the Municipal Services Corporation
- Overall salary savings of approximately \$570,000 in Police due to recruitment and retention trends, reorganization and vacant records supervisor position
- Significant portion of the salary savings (~\$440,000) is equivalent to three officers in the Police Department based on current and likely future vacancies. Should the Department recruit and retain more officers than assumed in the projections, the budget may need to be modified to reflect the reduced salary savings and higher than anticipated headcount
- The Fire Department, while fully staffed operationally with three recent hires, will rely on overtime rather than fill the three authorized “coverage” positions, similar to recent years (results in approximate \$150,000 in savings)
- Liability and property insurance cost increase of approximately \$270,000—in the past the City budgeted a lower amount for insurance premiums based on expected refunds; the City has been informed it will not receive a refund this year

- Capital projects funded outside of the General Fund will progress as planned but no General Fund contributions are included for capital (except a small reimbursement for Recreation software)
- Contract help in certain areas will continue or increase until revenues stabilize at a sustainable level
- No use of unrestricted General Fund reserves

An overview of the General Fund, including fund balances, is presented below.

General Fund Summary Revenues + Expenditure:	FY 2012 Actuals	FY 2013 Adopted	FY 2013 Amended	FY 2013 Projected Update 5/20/13	FY 2013-14 Proposed
Beginning Restricted Balance		\$598,957	\$598,957	\$598,957	
Beginning Unassigned Balance	\$6,434,405	\$2,608,745	\$2,608,745	\$2,608,745	\$2,909,552
Total Revenues	\$29,298,213	\$29,192,110	\$29,192,110	\$29,396,433	\$28,479,079
Total Expenses	\$32,524,916	\$29,020,023	\$29,090,923	\$29,095,626	\$28,453,592
Personnel				\$22,954,537	\$22,182,379
Non-Personnel				\$6,141,089	\$6,271,213
Annual Balance/Shortfall	(\$3,226,703)	\$172,087	\$101,187	\$300,807	\$25,487
Transfer Restricted Fund Balance (MSC - Grants (221))				(\$598,957)	
Ending Fund Balance/Deficit	\$3,207,702	\$3,379,789	\$3,308,889	\$2,909,552	\$2,935,039
Ending Reserve Percent	9.86%	11.65%	11.37%	10.00%	10.32%

*** FY 2013 Projected includes \$598,957 transfer to Grant Fund

Of particular note, staff is projecting a balanced budget and reserves above the desired 10% level. Additionally, the budget as proposed would increase that number to 10.37% or just over \$100,000 above the 10% threshold.

In terms of General Fund Revenues, we anticipate a drop of over \$300,000 from our projected revenues for the current fiscal year. This will be discussed in more detail in the Financial Overview section.

General Fund Revenues	FY 2012 Actuals	FY 2013 Amended	FY 2013 Projected	FY 2014 Proposed
Property Taxes	\$5,685,841	\$6,038,300	\$6,055,633	\$6,322,213
Sales Taxes	\$3,449,617	\$3,910,000	\$3,932,521	\$2,997,750
Utility Users Taxes	\$3,163,978	\$3,500,000	\$3,500,000	\$3,605,000
Other Taxes	\$1,885,422	\$1,904,900	\$1,962,097	\$2,121,900
Interim Sales Tax	\$1,564,811	\$1,545,000	\$1,545,000	\$1,596,000
Total Taxes	\$15,749,670	\$16,898,200	\$16,995,251	\$16,642,863
Fees for Services	\$9,936,538	\$10,964,194	\$10,649,515	\$10,513,990
Interest, Transfers & Other Revenue	\$3,612,006	\$1,329,716	\$1,751,667	\$1,322,226
Total Other Revenues	\$13,548,544	\$12,293,910	\$12,401,182	\$11,836,216
Total Revenues	\$29,298,213	\$29,192,110	\$29,396,433	\$28,479,079

With respect to expenses, we are projecting a decrease of around \$600,000, mostly achieved through reductions in staffing, vacancies and salary savings.

General Fund Expenditures	FY 2012 Actuals	FY 2013 Amended	FY 2013 Projected	Budget Variance	FY 2014 Proposed
Personnel	\$22,619,755	\$22,759,903	\$22,954,537	(\$194,634)	\$22,182,379
Non-Personnel					
Purchased Professional & Technical Services	\$2,185,665	\$2,516,840	\$2,441,335	\$75,505	2,299,700
Property Services/Other Services	\$2,014,613	\$2,102,130	\$2,039,066	\$63,064	2,143,382
Supplies	\$660,926	\$650,850	\$631,325	\$19,526	640,150
Property & Capital	\$229,826	\$252,500	\$244,925	\$7,575	238,500
Other Objects	\$102,395	\$74,600	\$50,339	\$24,261	218,073
Transfers From Other Funds (Indirects)	\$761,737	\$734,100	\$734,100	\$0	731,408
Total Non-Personnel	\$5,955,161	\$6,331,020	\$6,141,089	\$189,931	\$6,271,213
Total Expenditures before Land Xfer	\$28,574,916	\$29,090,923	\$29,095,626		
1X Transfer of Land Held for Redevelopment	\$3,950,000				
Total Expenditures	\$32,524,916	\$29,090,923	\$29,095,626	(\$4,703)	\$28,453,592

Although the process of looking both to the future and inside of the organization identified numerous priorities and areas for additional funding, most were not addressed in this proposed budget due to limited funds. A few of the items considered but not funded include:

- Development of a restricted reserve fund, primarily for one-time needs and not utilized for cash flow
- An additional increase in general fund reserves
- Development of a capital facilities reinvestment fund to identify funds for the repair and replacement of our aging facilities
- An update of our library needs assessment and preliminary architectural services
- Increased library hours
- An update of our cost allocation model and fee study
- Some additional financial support for our playfields and playgrounds
- A Cost of Living Adjustment for management and unrepresented employees

Personnel

Our employees are the cornerstone to the success of the City. In spite of the economic turmoil of the last few years, the City has not yet laid off a single employee. However, many familiar faces have moved on. This fiscal year, 18 employees retired from city service, due largely to a two-year pension service credit purchase offer made by the City. At the time of the plan approval, staff projected an approximate \$150,000 in savings for the current fiscal year. Staff now estimates the savings will exceed \$300,000, which provided the flexibility to make certain staffing changes, eliminate some positions, keep other positions vacant and fill some positions with less costly employees. An overview is shown in the following table:

	FY 2013-14		
	Approved	Actual	Vacant
City Council	5	5	0
City Management	9	9	0
Finance Department	6	6	0
Community Development	13.5	12.5	1
Fire	37	33	4
Police	56.4	55.4	1
Public Works	23.8	20.8	3
Recreation	23	22	1
Total	173.7	163.7	10.0

In order to balance the budget this year, 19 previously approved positions are now proposed to be eliminated (10%); 10 of the remaining requested positions will remain vacant in FY 13-14 (6%); an approximately 10.4% reduction in actual staffing in five years.

Only time will tell if this significantly reduced staffing can maintain all of the services historically provided without unrealistically overburdening the current employees while remaining competitive with their compensation.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

The CIP currently has 46 identified projects, including 17 active projects that are either in construction or undergoing planning/design. Current year appropriations total \$5.6 million. Similar to recent years, the General Fund is making no significant contribution to the Capital Improvement Program. The largest projects (over \$500,000) in the coming fiscal year include construction of the Ohlone Nature Area & Rain Gardens, Moeser Lane & Ashbury Avenue Pedestrian and Bicycle Corridors Improvements, Central Avenue and Liberty Street Streetscape Improvements, Ohlone Greenway Crossing Improvements Project and at least one, if not two, paving projects. These projects are largely funded through various regional, state and federal grants that have been leveraged with Measure A Street Improvements Funds.

The list below describes how the CIP relates to the City Council goals:

Deliver exemplary government services

- Develop projects by partnering with other agencies (BART, City of Richmond, Caltrans, Schools)
- Hold community meetings and seek input from residents and businesses

Achieve long-term financial sustainability

- Use budget controls and value engineering processes
- Regularly pursue opportunities for regional, state and federal grants

Deepen a sense of place and community identity

- Promote strong neighborhoods
- Develop recreational and leisure opportunities for people of all ages and demographics

CIP Projects:

- Central & Liberty Streetscape (Construction)
- Ohlone Natural Area & Rain Gardens (Bidding)

- Huber Park Improvements (Planning – secured grant)
- Ohlone Wayfinding Signs (Planning – secured grant)
- Ohlone Access, Safety and Place-making Improvements (Planning – recent OBAG grant application)

Ensure the public’s health and safety

- Planning, designing and constructing various projects

CIP Projects:

- Moeser & Ashbury Pedestrian/Bicycle Improvements (Construction)
- Ohlone Major Street Crossing Improvements (Bidding)
- Arlington Curve at Brewster Safety Improvements (Prelim Engineering – HSIP Grant)
- Ohlone Access, Safety and Place-making Improvements

Foster environmental sustainability citywide

- Encourage pedestrian, bicycle and transit travel – most of the same projects listed under Goals D & E
- Make municipal operations more resource efficient and environmentally friendly – Citywide Solar Project (Construction)

* * * * *

This past year the City of El Cerrito was honored with its third 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 8th year in a row. As you will see, this budget book reflects a fresh look, additional information and a reflection of the Strategic Plan.

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, Lisa Malek-Zadeh, the City’s Finance Director, Geoffrey Thomas, the City’s Finance Manager and Sukari Beshears, our Human Resources 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 continually evolve and innovate 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,



Scott Hanin
City Manager

BUDGET GUIDE

The City of El Cerrito's Fiscal Year 2013-14 Budget presents accurately and clearly the City's projection of revenues and expenditures for the next fiscal year. It describes in detail the various components of the City, each of its departments and divisions, and the City's separate legal entities: the Employee Pension Board and the El Cerrito Public Financing Authority. The budget also describes the City's mission, vision, and values, outlines overall goals and strategies developed through the 2013-2018 Strategic Plan, and indicates how resources are allocated to fulfill these objectives.

The budget is the City's fundamental policy document and communicates the expenditures legally appropriated by the City Council for the fiscal year. The budget document is intended to help the City Council, residents, businesses, and other interested parties understand the overall responsibilities and goals of the City and to enable the departments to present financial plans and workload data. In addition to its role as a policy document, the budget also serves as a financial plan, an operations guide and a communications tool.

Each year staff aims to improve the budget document in a significant way. This year's budget is the first to incorporate the City's Strategic Plan as adopted in April 2013. The document will discuss the alignment of programs and services to the Strategic Plan goals.

As in previous years, this budget document includes Ten-Year Financial Plans for the General Fund and Integrated Waste Management Fund. The purpose of these long term plans is to allow the residents, City Council, and the public to evaluate the results of actions taken today by projecting out ten years into the future. Using this planning tool on an on-going basis will help the City refine projections and develop long-term stability.

CSMFO Award

City staff is very proud to include in this Budget Overview Section a copy of the award for Excellence in Operational Budgeting from the California Society of Municipal Finance Officers (CSMFO) for the FY 2012-13 operating budget. This is the City's seventh consecutive year of receipt of this award.

GFOA Award

The City of El Cerrito was honored with its third consecutive Government Finance Officers Association of USA/Canada (GFOA) Distinguished Budget Presentation award. Staff is extremely proud to continue to receive this award that reflects a nationally recognized standard for budget documents prepared by local agencies. This award represents a culmination of efforts to continuously improve the budget document.

Reporting Entity

Throughout this budget document, reference is made to the City. As appropriate, such references should be inferred to include activity and financial contributions of each of the three separate entities covered under this budget: City of El Cerrito, El Cerrito Employees' Pension Board, and the El Cerrito Public Finance Authority.

The El Cerrito Municipal Services Corporation (MSC) is a non-profit organization whose purpose is to support the City in expanding economic opportunities and eliminating blight, as well as assisting and implementing programs and activities that will lessen neighborhood tensions and combat community deterioration. The FY 2013-14 budget for the MSC is approved separately by the Board of Directors and is therefore, not included in this document.

Budget Structure

City Manager's Transmittal Letter: The City Manager's letter is intended to provide an executive summary of the City's priorities, major projects, general philosophy, and discussion on the citywide financial outlook and budget.

Budget Overview: The Budget Overview section presents information on the structure and policies of the City and detail of the budget on a Citywide basis.

Financial Overview: This section provides summary financial information regarding projected revenues, expenditures, fund balances and reserves as well as transfers between funds. The section reviews detailed assumptions in the General Fund, the city's main operating fund, including historical data, a discussion of current programs and activities, future concerns and strategies as well as the Ten-year plan. The section also includes the summary analysis of all other major operating funds, forecasts, details of all inter-fund transfers, and information describing significant changes compared to the prior year's budget.

Department Operating Budgets: The departmental operating budget sections describe historical and adopted expenditures by department and division as well as descriptions of core responsibilities, Strategic Plan Alignment, service indicators, and accomplishments. Budget summaries are provided for each department in their corresponding section; line-item detail budgets by division are located in the appendices. The City is organized into seven operating departments: City Management, Community Development, Finance, Fire, Police, Public Works, and Recreation.

Successor Agency: Per AB1x 26 the El Cerrito Redevelopment Agency (RDA) was dissolved as of February 1, 2012 and a Successor Agency was created to finalize the RDA's commitments. Historical budget and actual data for the former RDA is shown in this section. The Successor Agency has no budget authority, therefore no budget data for the Agency is presented in this document. The events leading up to actions since the dissolution of the RDA are discussed in detail in this section.

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 2011-12 audit information.

Appendices, Statistics and Line-Item Budget Detail: 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. Additionally, this section also houses the detailed line-item tables for each department and division of the City.



In 2012-13 the City's Operating Budget was prepared using the criteria published by the California Society of Municipal Finance Officers (CSMFO) required to receive their award for Excellence in Operating Budgeting. This was done in an effort to continue to improve the clarity and content of the budget document, as well as provide the City Council and the public with financial peer review in order to assure them that the substance and accuracy of the document meets their high standards. This is the eighth year in a row that the City has received this award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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**City of El Cerrito
California**

For the Fiscal Year Beginning

July 1, 2012

Christopher P. Morill

President

Jeffrey R. Egan

Executive Director

This is the third year the City has won the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). The GFOA established the Distinguished Budget Presentation Awards Program in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal. This award represents many years of refinements and clarification of the budget document and represents a commitment to presenting a complete and concise report of the City's overall mission and financial plan.