



City of El Cerrito  
 Quarterly General Fund Budget Update  
 Fiscal Year (FY) 2023 through March 31, 2023

**INTRODUCTION**

The City of El Cerrito is pleased to submit the quarterly budget report through March 31, 2023. 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, slightly lower than year-to-date (YTD) revenues received by the same point in time last year. Similarly, expenditures are on track, with departments spending approximately 66% of their annual budget through the third quarter of FY 2022-23.

**GENERAL FUND REVENUES**

FY 2022-23 General Fund revenues are budgeted at \$46.9 million as amended. 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 03/31/22 point-in-time.

<b>Revenues</b>	<b>FY 21-22 Audited</b>	<b>2023 Amended Budget</b>	<b>YTD Actual 03/31/23</b>	<b>% of Amended Budget</b>	<b>Prior Year YTD 03/31/22</b>
Property and Other Taxes	\$32,844,740	\$28,894,817	\$18,793,852	65%	\$17,631,980
Licenses & Permits	\$1,440,972	\$893,864	\$748,272	84%	\$1,074,456
Fines & Forfeitures	\$152,343	\$140,000	\$76,817	55%	\$124,335
Use of Money and Property	\$153,515	\$434,456	\$504,449	116%	\$323,562
Intergovernmental Revenues	\$4,844,428	\$9,228,206	\$5,081,307	55%	\$5,039,126
Charges for Services	\$7,405,175	\$5,947,881	\$4,532,502	76%	\$4,397,198
Other Revenue	\$183,566	\$261,000	\$502,454	193%	\$132,985
Interfund Transfers		\$1,104,450			\$715,405
<b>Total</b>	<b>\$47,024,739</b>	<b>\$46,904,674</b>	<b>\$27,921,379</b>	<b>60%</b>	<b>\$29,439,047</b>

The following chart displays the General Fund revenues received by Department and shows how the majority of General Fund revenues are “Non-Departmental”, coming from general taxes and revenues that are not related to a specific Department within the organization. In addition, some

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departments, such as Community Development, have seen relatively higher than anticipated revenues by March 31, 2023 (96%), due in part to the number and size of permits being processed.

<b>Revenues</b>	<b>FY 2022-23 Amended Budget</b>	<b>YTD Actual 03/31/23</b>	<b>% of Amended Budget</b>	<b>Prior Year YTD 03/31/22</b>
Administration	\$137,900	\$26,616	19%	\$38,577
Police	\$214,000	\$170,825	80%	\$159,394
Fire	\$5,639,269	\$3,460,424	61%	\$3,541,376
Public Works	\$407,400	\$301,381	74%	\$458,751
Community Development	\$1,912,214	\$1,829,475	96%	\$2,358,614
Recreation	\$4,960,688	\$3,421,028	69%	\$2,768,015
Non-Departmental	\$33,633,203	\$18,711,631	56%	\$20,114,321
<b>Total</b>	<b>\$46,904,674</b>	<b>\$27,921,379</b>	<b>60%</b>	<b>\$29,439,047</b>

PROPERTY AND OTHER TAXES

Tax revenues as of March 31, 2023, are at 65% of the Amended FY 2022-23 budget. This is within budget estimates for the fiscal year. The City receives the second biannual payment of property taxes in April, which comprises the largest portion of City revenues. Property taxes and specifically real property transfer taxes had been trending favorably, though with a slow down in economic activity may not increase further.

LICENSES AND PERMITS

Licenses and permits are currently 84% of the budgeted revenues. These licenses include building permits, parking permits, and tobacco retailer license fees. Licenses and permits are on track to meet or exceed the budget.

FINES AND FORFEITURES

The City has collected 55% 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 but are expected to stabilize or increase in future years with an increasing focus by the Police Department on traffic safety.

USE OF MONEY AND PROPERTY

Use of money and property is currently at 116% 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.

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INTERGOVERNMENTAL REVENUES

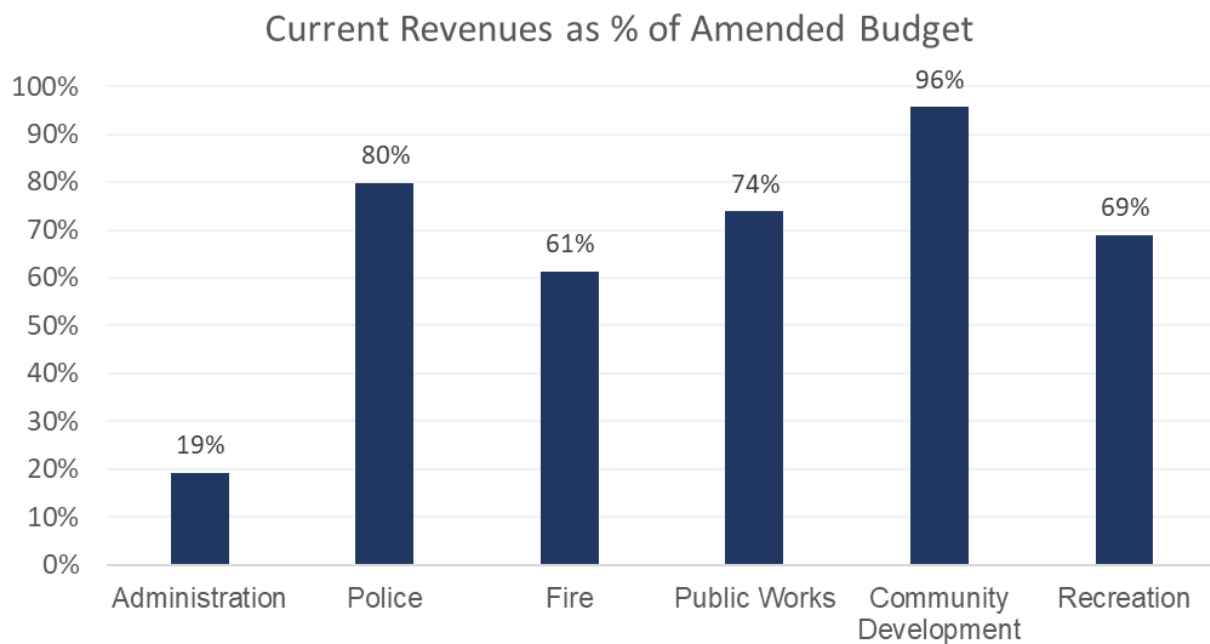
Intergovernmental revenues are currently at 55% of the annual budget. These revenues include grants and intergovernmental transfers and reimbursements. This line item is trending behind the budget due to the timing of the receipt of the Kensington Fire District contract payments. Revenue is trending similar to the previous fiscal year with similar amounts received by both March 31, 2022, and 2023, respectively.

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 76% of the budgeted revenues in this category and is trending with the current year collections. Childcare services and recreation programs continue to be in high demand.

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 \$46.9 million for FY 2022-23. Departments are on track through March 31, 2023, utilizing 66% of budgeted expenditures. Personnel is the largest

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component of General Fund expenditures (72%), and it is expected that due to the level of current vacancies some departments will have higher professional services and/or overtime expenses 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.

<b>Expenditures</b>	<b>FY 2022-23 Amended Budget</b>	<b>Year to Date (YTD) Actual 03/31/23</b>	<b>% of Amended Budget</b>	<b>Prior Year YTD 03/31/22</b>
Administration	\$7,271,258	\$5,009,944	69%	\$4,426,899
Police	\$12,987,536	\$8,765,743	67%	\$8,480,248
Fire	\$14,168,533	\$9,249,324	65%	\$8,841,642
Public Works	\$2,661,666	\$1,537,831	58%	\$1,392,908
Community Development	\$3,181,129	\$2,161,725	68%	\$2,085,956
Recreation	\$5,559,574	\$3,598,784	65%	\$3,028,009
Non-Departmental	\$1,106,857	\$739,316	67%	\$825,595
<b>Total</b>	<b>\$46,936,553</b>	<b>\$31,062,668</b>	<b>66%</b>	<b>\$29,081,256</b>

ADMINISTRATION

The Administration's budget is at 69% 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 67% of the expenditure budget and projects to remain within budget for the fiscal year. Overall, the Department's expenditures are slightly higher than the same period in FY 2021-22.

FIRE

The Fire Department is at 65% of the expenditure budget, which is higher than the same point-in-time last fiscal year. Increased expenditures related to the new labor agreement, including a 4.5% COLA, retroactive to October 2022 required additional appropriation and was included in the FY 2022-23 Mid-Year Update.

PUBLIC WORKS

The Public Works Department is 58% 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 near full capacity through March 2023.

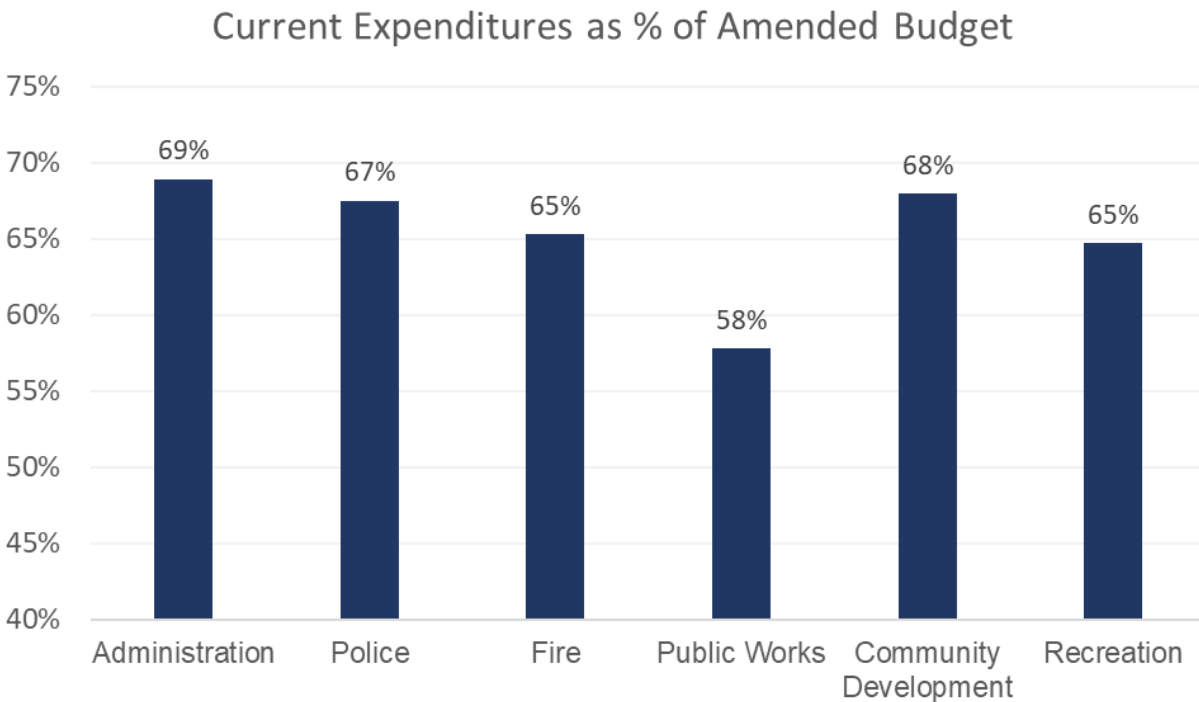
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COMMUNITY DEVELOPMENT

The Community Development Department is at 68% expensed for the current year with expenditures trending slightly higher than the same point-in-time in FY 2021-22.

RECREATION

The Recreation Department is 65% 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.



*Expenditures by Category*

The chart below shows the year-to-date actual expenditures by category, the percent expensed compared to the budget, and the previous fiscal year’s expenditures for comparison. As shown, expenses are at 66% across all categories, with variation in the amounts expensed by March 31, 2023, ranging from 47% of the amended budget for Financing costs to 100% for other Financing Uses. As noted previously, the largest cost category for the City is personnel.

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<b>Expenditures</b>	<b>2023 Adopted Budget</b>	<b>2023 Amended Budget</b>	<b>YTD Actual 03/31/23</b>	<b>% of Amended Budget</b>	<b>Prior Year YTD 03/31/22</b>
Personnel	\$32,777,811	\$33,923,404	\$22,676,918	67%	\$21,762,028
Professional Services	\$4,421,343	\$5,101,171	\$2,995,277	59%	\$2,385,946
Purchased Property Services	\$2,297,704	\$2,448,054	\$1,216,319	50%	\$1,066,004
Other Services	\$2,950,883	\$3,025,203	\$2,370,951	80%	\$2,172,210
Supplies	\$773,131	\$780,031	\$429,472	55%	\$350,720
Property & Capital	\$443,147	\$458,647	\$453,280	99%	\$347,882
Financing Costs	\$532,280	\$532,280	\$252,687	47%	\$330,854
Other Financing Uses	\$667,763	\$667,763	\$667,763	100%	\$665,612
<b>Total</b>	<b>\$44,864,062</b>	<b>\$46,936,553</b>	<b>\$31,062,668</b>	<b>66%</b>	<b>\$29,081,256</b>

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.