



CITY OF CERRITOS

Community Budget Workshop

Community Meeting

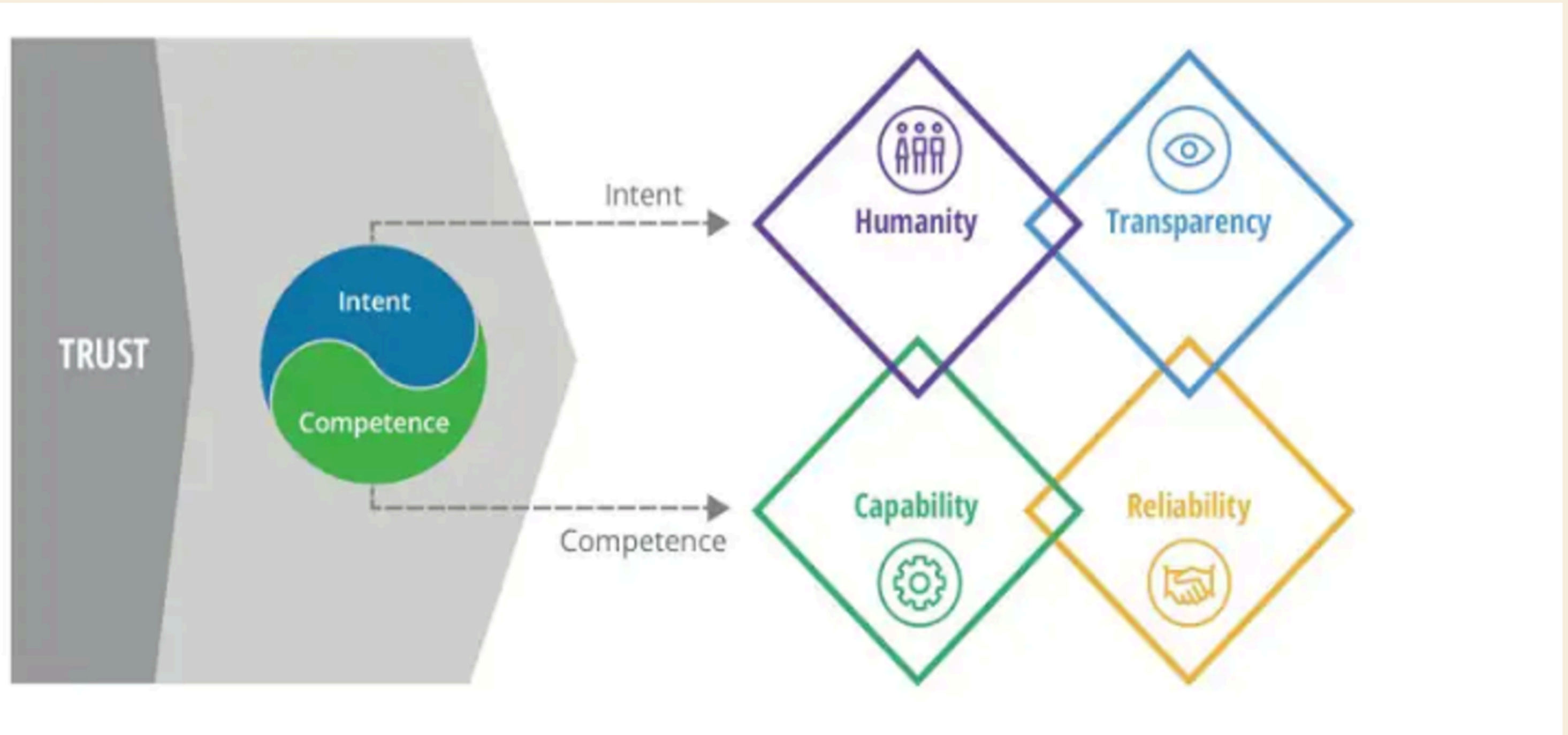
April 15, 2026

Thank you!

Civic Engagement is critical to an effective and
engaged Cerritos

Introductions

Trust Matrix



Who is this Ryder guy?

Transparency of Intent



Family Man, California Resident



TRIPEPI SMITH
marketing • technology • public affairs

Ryder's Day Job

Communications and City Consulting

City Finance Overview

Maintaining Critical Services

City of Cerritos must maintain its critical services to ensure the public receives the resources they need to live happy and healthy lives in Cerritos.



- Public safety
- Street repairs
- Clean water
- Electric utilities
- Wastewater collection
- Sidewalk maintenance
- Library services
- Parks & Recreation programs

General Fund Vs. Enterprise Fund



General Fund

A city's General Fund is its primary operating account used to pay for essential daily services like public safety, road maintenance and water operations. It is primarily funded by local taxes and serves as the main discretionary budget where city leaders decide how to prioritize community needs.



Enterprise Fund

An Enterprise Fund is used for specific city services, such as sewer, water or electric utility, that are primarily funded by user fees and service charges rather than general taxes.

Reserve Fund Policy

- The City maintains financial reserves to stay stable during emergencies, economic downturns, and unexpected costs, while continuing to provide essential services.
- The policy sets clear guidelines for how much the City should save, including minimum and target reserve levels, and outlines when and how those funds can be used. These thresholds are based on best practices across municipalities.
- Excess funds are strategically allocated to priorities like infrastructure projects, reducing long-term liabilities, and other one-time needs, with plans in place to rebuild reserves if they drop below required levels.



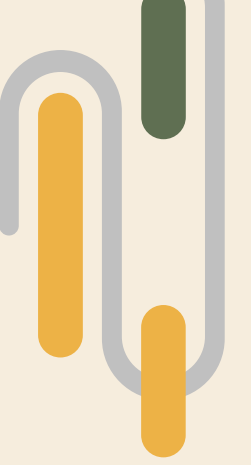


Capital Improvement Plan funding

Capital Improvement projects are long-term investment projects aimed at significantly improving, replacing, or expanding City assets and infrastructure. These projects are typically funded by the General Fund. Due to budget constraints, the City has had to significantly defer these projects.

In the City's current strategic plan, they have a goal of creating a system that will analyze which CIP projects need to be prioritized.

Financial Timeline



1970s



Redevelopment
Agency founded

1970/80s



Development and
expansion of Cerritos
Auto Square

1980/90s



Development of
Cerritos Towne Center

2011/2012

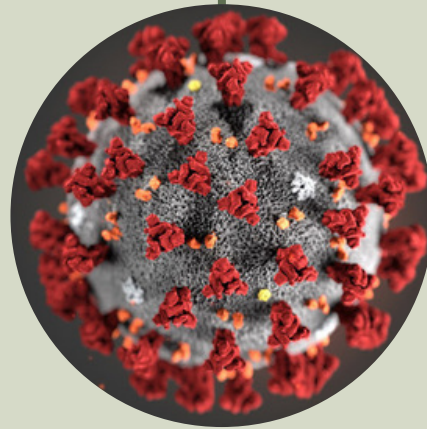


State abolished
Redevelopment
Agencies



Financial Timeline

2020



Covid-19

2023



Loans to water/sewer
funds written off

2028

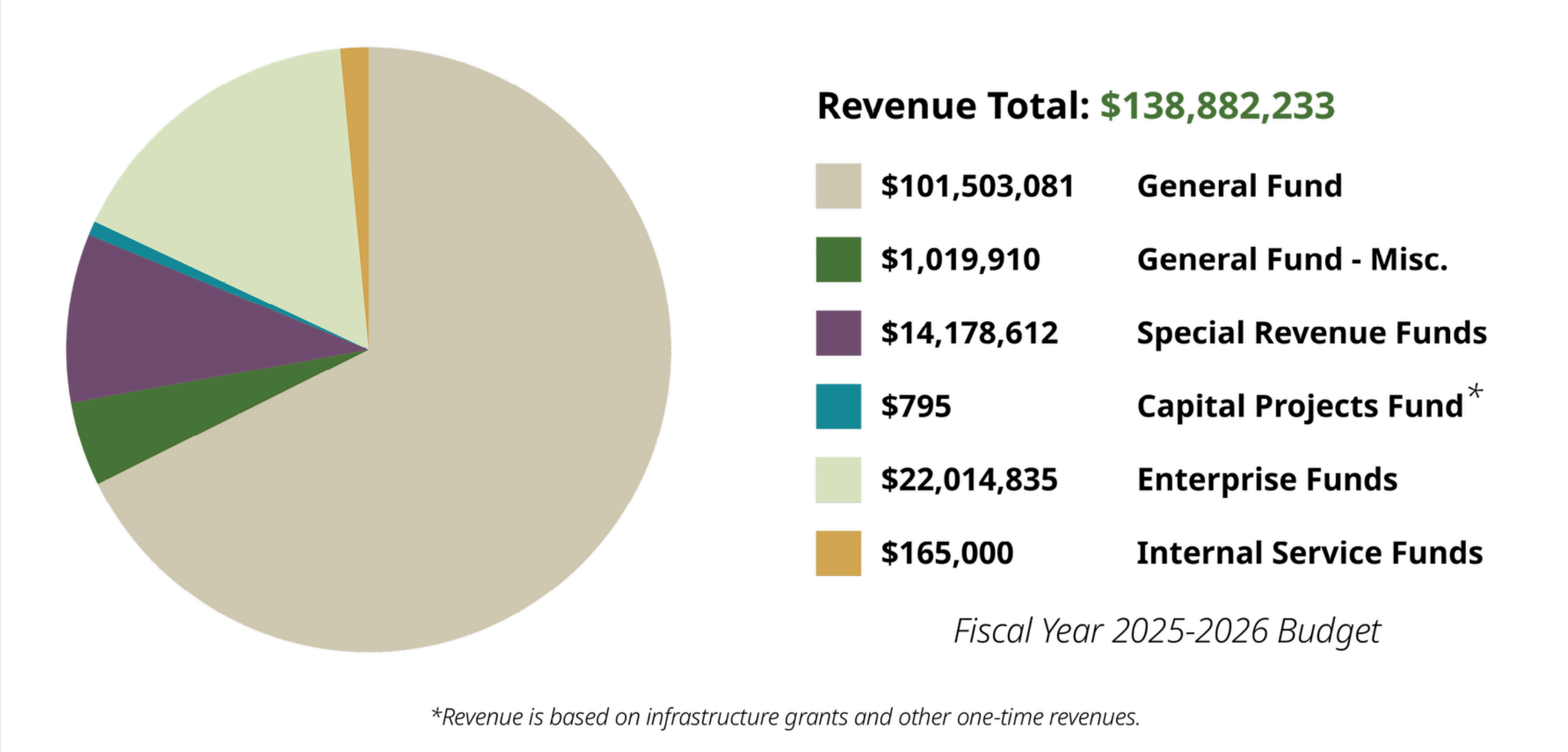
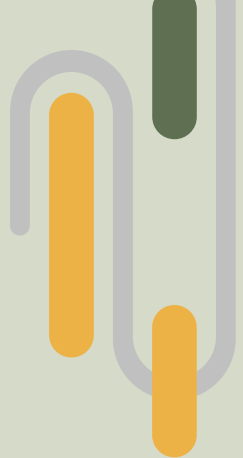


Last payment
from former
Redevelopment
Agency

**Where does the City
receive and spend
revenue?**

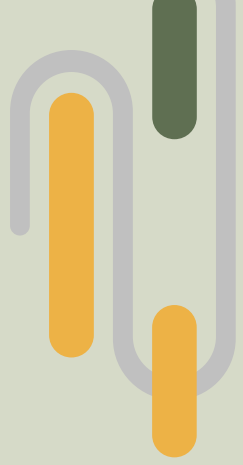
Overview FY 2025-26

Revenue



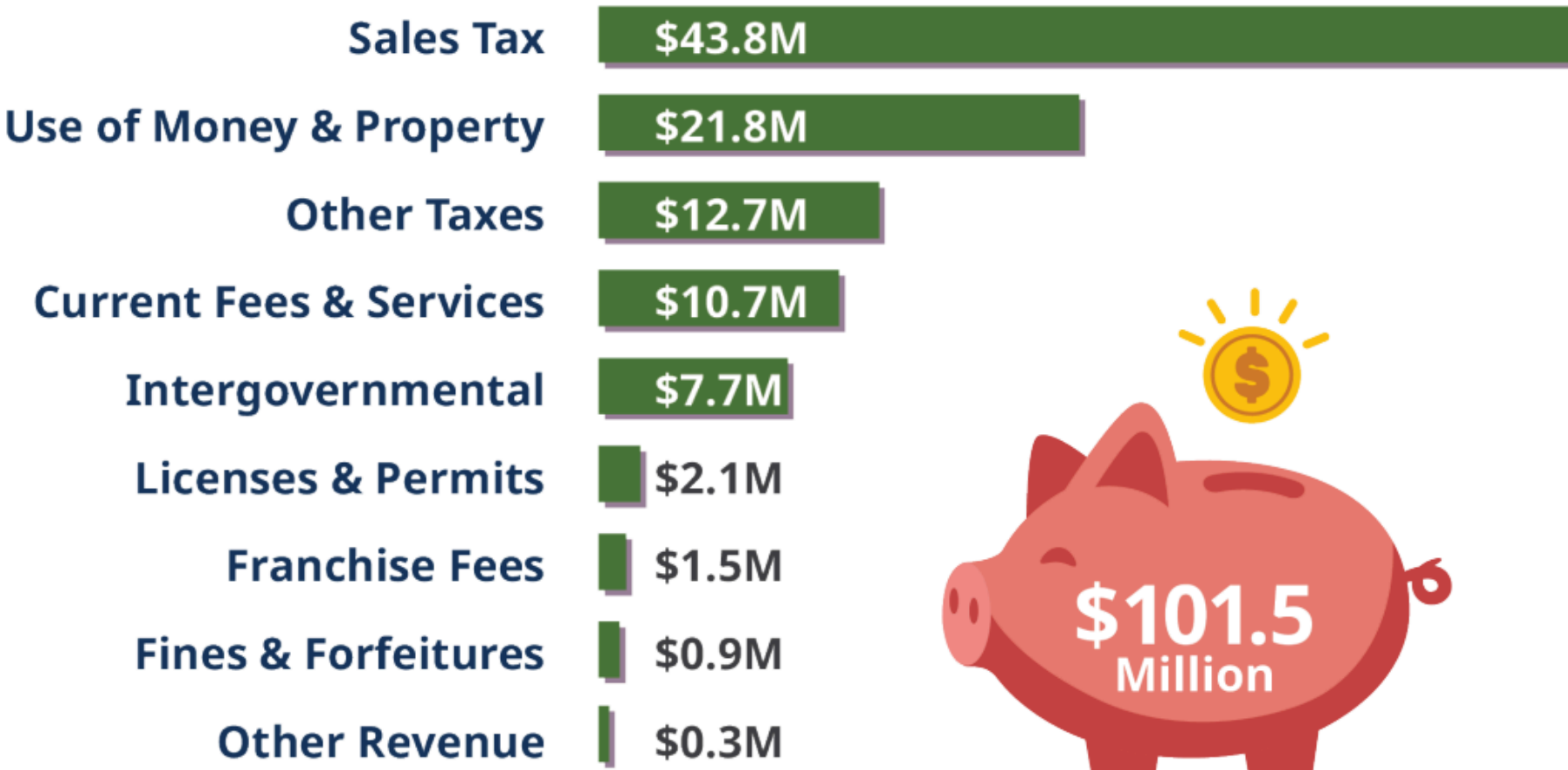
Overview FY 2025-26

Revenue



General Fund Revenues

Sales tax revenues make up nearly half the overall General Fund.



Fiscal Year 2025-2026 Budget

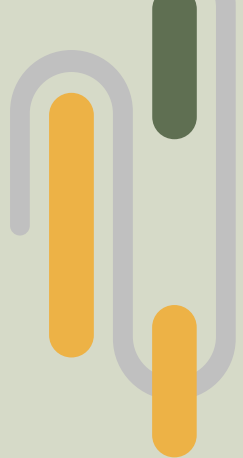
Sales Tax Allocation

Out of the 9.75% sales tax paid by consumers, the City receives 1%. For each dollar spent in Cerritos, the City receives one cent.

Entity	Allocation
County	4.81¢
State	3.94¢
Cerritos	1¢

Overview FY 2025-26

Expenses



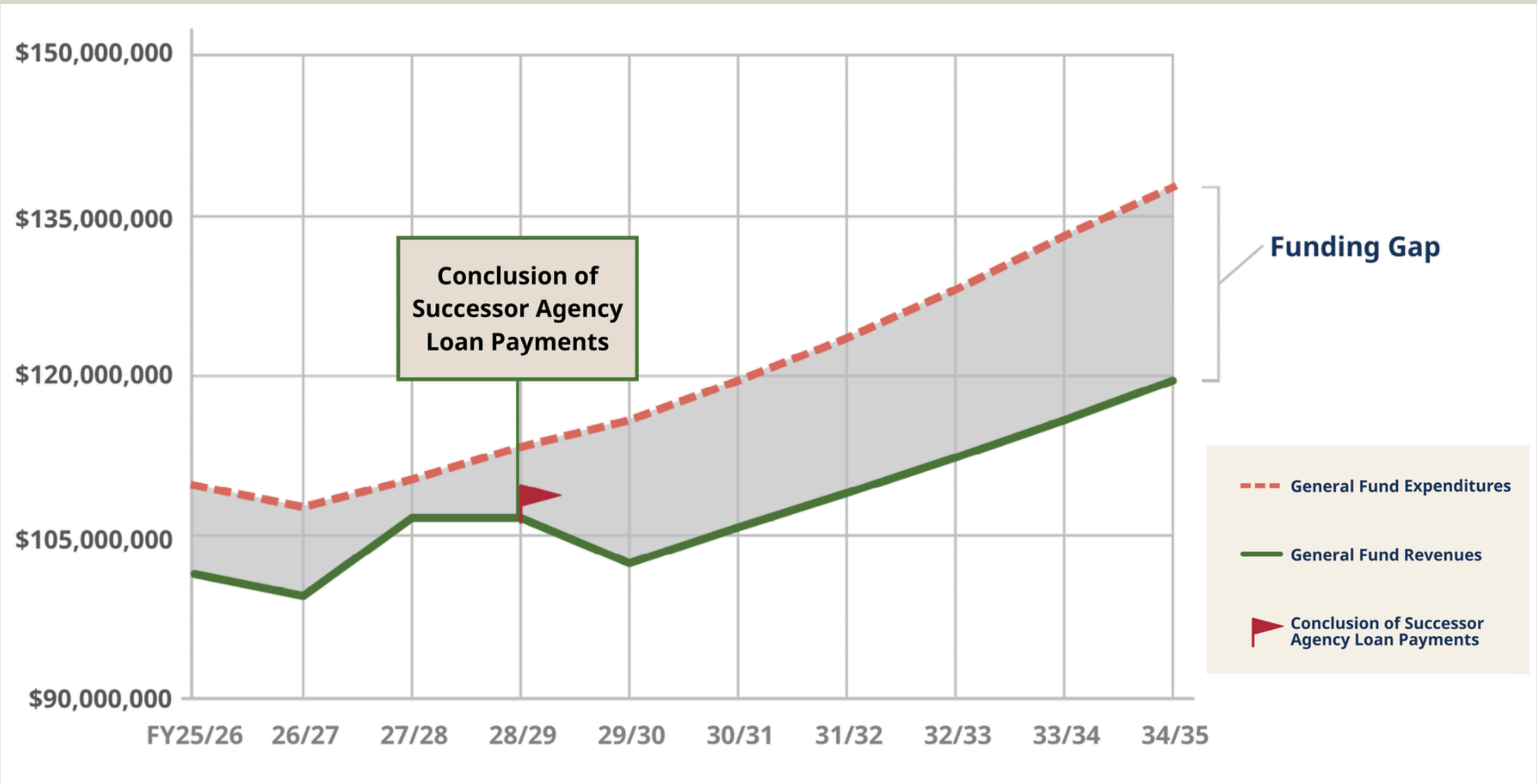
Fiscal Year 2025-2026 Budget

Expenditures Total: \$131,387,520

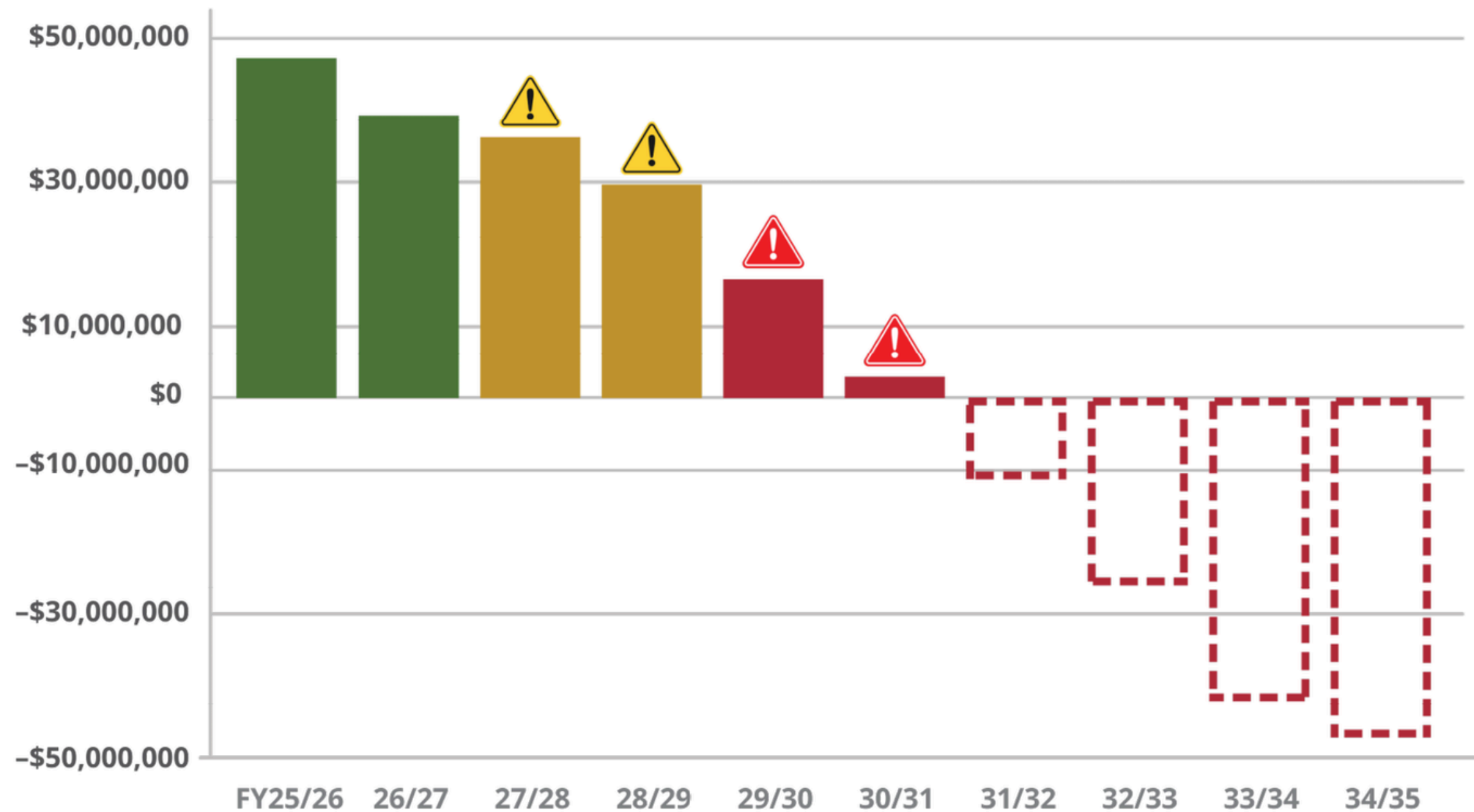
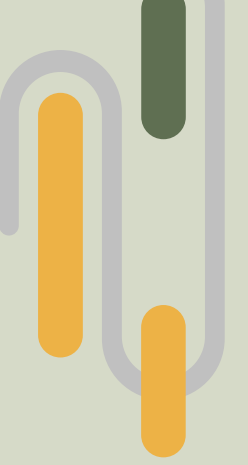
36.4%	Public Works <i>Streets, parks, trees, building maintenance</i>
18.1%	Community Safety <i>Sheriff's services, crossing guards, parking enforcement, emergency management</i>
13.3%	Administrative Services <i>Finance, human resources, technology, procurement</i>
12.2%	Community and Cultural Services <i>Library, recreation services, senior programs, community events</i>
9.5%	Theater <i>Cerritos Center for the Performing Arts and arts education</i>
6.9%	Community Development <i>Planning, permitting, economic development, transit, housing</i>
3.6%	Legislative and Administrative <i>Citywide management, elections, records, legal services</i>

Project Operating Budget

\$11.8M Average General Fund Deficit



10 Year Forecasted General Fund Reserves



-  Reserves drop below target level
-  Reserves drop below minimum level
-  Reserves are projected to be depleted

New Revenue Options or Expenditure Cuts

City Expenditure Snapshot

- Sheriff's Contract:
 - Current annual cost is **\$19.8 Million** (FY25-26), projected to increase to **\$20.4 Million** in the following fiscal year.
- Southwest Patrol Contract:
 - Approximately **\$296,000 annually** for three officers (five days per week).
- Arterial Street Repaving:
 - The cost is approximately **\$1.6 Million** per half mile (based on the most recent Bloomfield Avenue project).
- Pine Tree Removal & Replacement:
 - Average cost is **\$8,500 per tree**, which includes associated curb, gutter, and sidewalk repairs.
 - **3,860 pine trees** remain in the city.
 - Total estimated cost to remove and replace all remaining trees is **\$32.8 Million**.
- Playground Equipment Replacement:
 - Recent projects cost **approximately \$420,000**, including resurfacing and civil work (e.g., Gridley Park East).

Deferred Maintenance / Cuts

In the absence of financial adjustments, the City may need to re-evaluate funding for the following:



Public Safety



Tree Removal



Street Repairs

Alternative Revenue Breakdown Options

Revenue Option	Estimated Annual Revenue	Primary Payers
Utility Users Tax (2-4%)	\$2.5M – \$4.5M	Residents & Local Businesses
Transactions & Use Tax (1.00%)	\$19.1M	Residents & Non-Residents (majority projected from non-residents)
TOT Increase (12% → 16%)	\$0.45M – \$0.50M	Primarily Non-Residents
Parcel Tax (\$100 to \$200 annually)	\$1.6M – \$3.2M	All Property Owners
Real Property Transfer Tax	\$0.2M – \$0.6M	Buyers & Sellers
Grants	Varies	External Funding Sources

These are presented to show relative impact of each and not as a suggestion that any or all should be adopted.

TOT Rates

City	TOT Rate
Lakewood	8.00%
Bellflower	9.00%
Hawaiian Gardens	9.00%
Downey	9.00%
Norwalk	10.00%
La Mirada	10.00%

City	TOT Rate
Santa Fe Springs	10.00%
*Buena Park	12.00%
*La Palma	12.00%
Cerritos	12.00%
Artesia	12.50%

*These cities are located in Orange County

Utility User Tax Rates

City	Sales Tax Rate
Lakewood	3%
Paramount	5.5%
Norwalk	5.5%
Azusa	6%
Bellflower	7%
Cerritos	0%

Sales Tax Rates

City	Sales Tax Rate
*Buena Park	8.75%
*La Palma	8.75%
Cerritos	9.75%
La Mirada	9.75%
Norwalk	10.50%
Bellflower	10.50%

City	Sales Tax Rate
Hawaiian Gardens	10.50%
Lakewood	10.50%
Downey	10.50%
Artesia	10.50%
Santa Fe Springs	10.75%

*These cities are located in Orange County

What is Transactions and Use Tax (TUT)?

A TUT is a local, voter-approved sales tax rate imposed by cities or counties on top of the state's base sales tax.

Did you know?

Cerritos has one of the **lowest sales tax rates** in Los Angeles County.

The City's current sales tax **9.75%**

Who pays for sales tax?

The sales tax will be paid by **residents** and **commuters** who shop within City limits.



Question Time

(Not YET Feedback Time)

Time to Engage and Share

Rules for Group Collaboration

Gather up into groups of 6-8

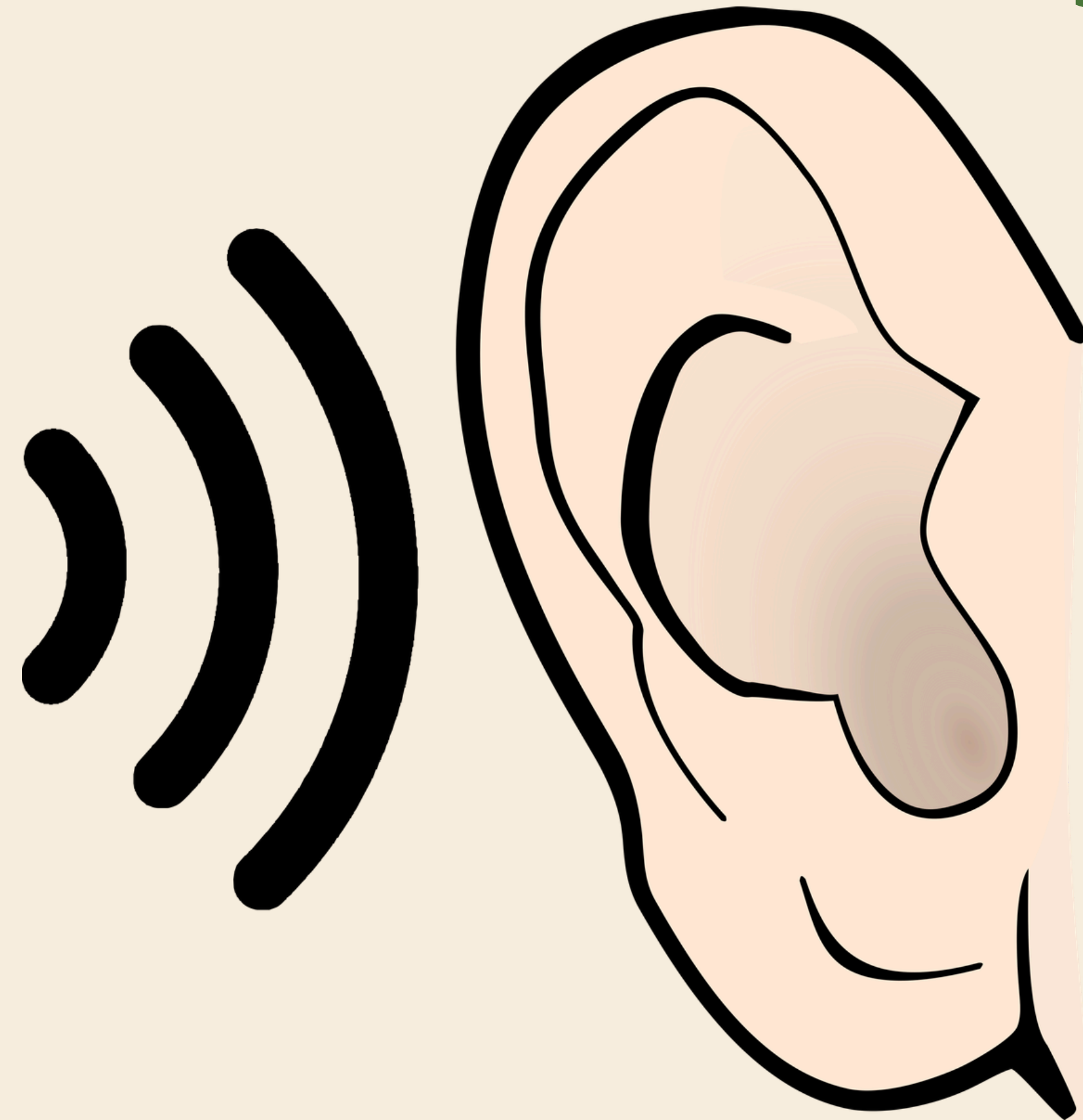
Try to meet someone new

Introduce yourself

Break ice with how long you have lived in Cerritos

Identify someone with good handwriting to be the scribe

Identify someone who will report out the group's work



Breakout Questions

1. What makes Cerritos a quality place to live and how do City services add to that quality of life?
2. What does Cerritos need to improve for overall quality of life?
3. Should we shrink City services or find new revenue to keep services the same?
4. Which of the revenue options, if any, are attractive and why?
5. Would you support a sales tax if it helped lower your monthly water/sewer bills and knowing half the tax is paid by Cerritos visitors?
6. Are there any services currently provided by the City that you think should be reduced and why?
7. Do you have any ideas or suggestions to introduce efficiency into City operations?



Upcoming Events

**Virtual Budget
Meeting
April 21, 7 p.m.**

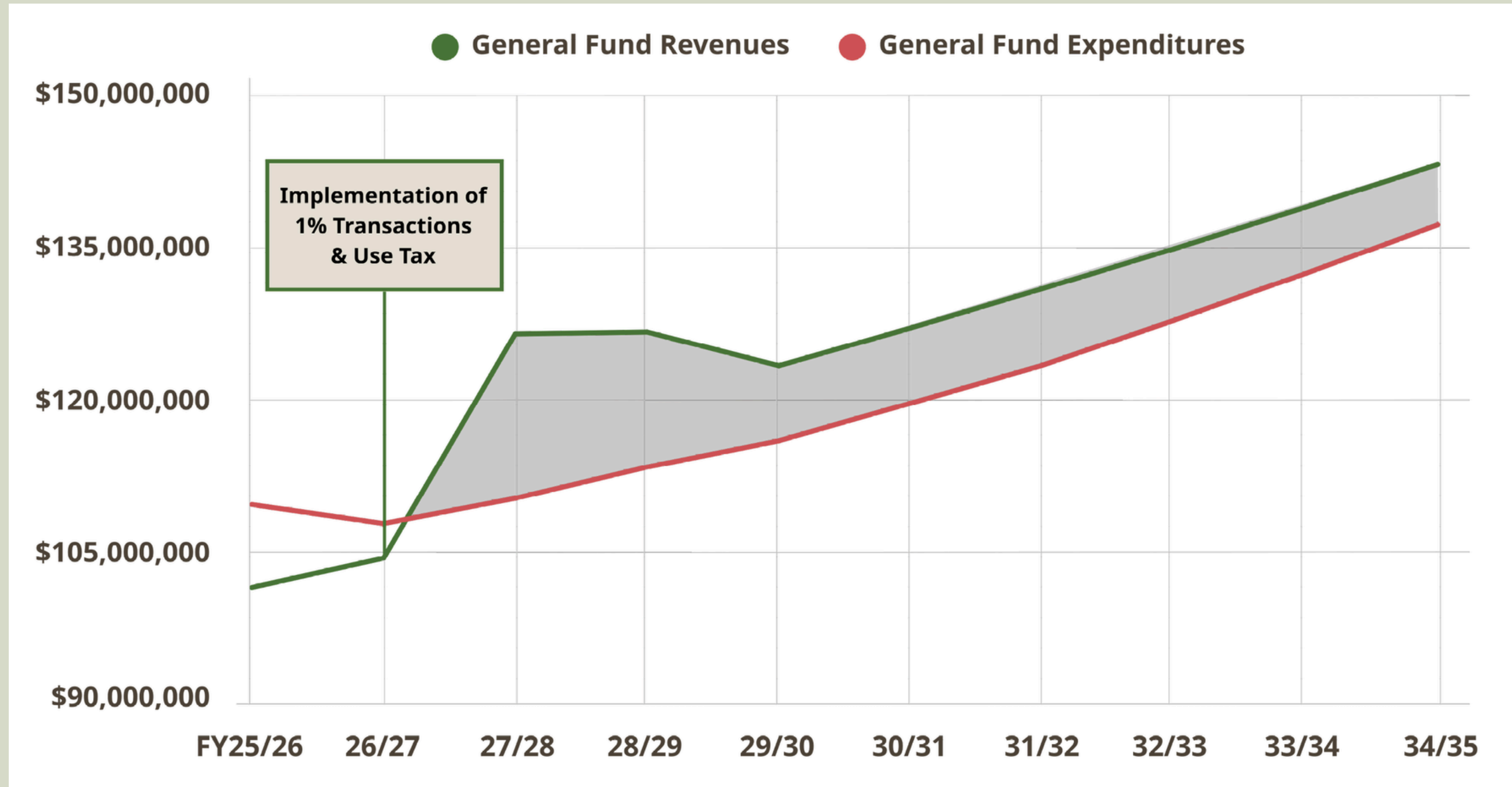
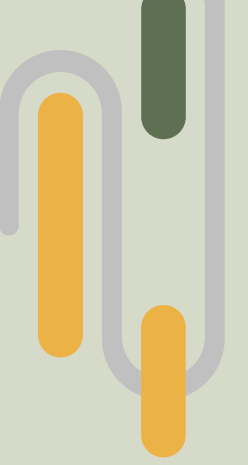
**Budget Study
Session
May 11, 7 p.m.**

**Have additional feedback? Visit
[Cerritos.gov/Future](https://www.cerritos.gov/Future) to tell us more!**



Thank You!

General Fund Forecasts (With 1% TUT)



Forecasted General Fund Reserves (With 1% TUT)

