



**BERKELEY CITY COUNCIL BUDGET & FINANCE COMMITTEE
SPECIAL MEETING**

**Thursday, November 16, 2023
9:30 AM**

2180 Milvia Street, 6th Floor - Redwood Room

Committee Members:

Mayor Jesse Arreguin, Councilmembers Rashi Kesarwani and Kate Harrison
Alternate: Councilmember Sophie Hahn

This meeting will be conducted in a hybrid model with both in-person attendance and virtual participation. If you are feeling sick, please do not attend the meeting in person.

Remote participation by the public is available through Zoom. To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device: Use URL - <https://cityofberkeley-info.zoomgov.com/j/1617357038>. To request to speak, use the “raise hand” icon on the screen. To join by phone: Dial **1-669-254-5252 or 1-833-568-8864 (Toll Free)** and Enter Meeting ID: **161 735 7038**. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair. Please be mindful that the meeting will be recorded.

To submit a written communication for the Committee’s consideration and inclusion in the public record, email policycommittee@berkeleyca.gov.

Written communications submitted by mail or e-mail to the Budget & Finance Committee by 5:00 p.m. the Friday before the Committee meeting will be distributed to the members of the Committee in advance of the meeting and retained as part of the official record.

Pursuant to the City Council Rules of Procedure and State Law, the presiding officer may remove, or cause the removal of, an individual for disrupting the meeting. Prior to removing an individual, the presiding officer shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding officer may then remove the individual if they do not promptly cease their disruptive behavior. “Disrupting” means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, a failure to comply with reasonable and lawful regulations adopted by a legislative body, or engaging in behavior that constitutes use of force or a true threat of force.

AGENDA

Roll Call

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes - October 26, 2023

Committee Action Items

The public may comment on each item listed on the agenda for action as the item is taken up. The Chair will determine the number of persons interested in speaking on each item. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Chair may limit the public comment for all speakers to one minute per speaker.

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.

2. Presentation: City's Fiscal Forecast

From: City Manager

Contact: Sharon Friedrichsen, Budget Manager, (510) 981-7000

3. Budget Referral and Updated Guidelines and Procedures for City Council Office Staff Expenditures

From: Councilmember Taplin (Author), Councilmember Harrison (Author), Councilmember Bartlett (Author), Councilmember Hahn (Co-Sponsor)

Referred Date: October 30, 2023

Due Date: April 28, 2024

Recommendation: Refer to the Budget and Finance Committee to consider updates to the guidelines and procedures for City Council office budget expenditure accounts with regards to City Council staff salaries and an accompanying Budget Referral of up to \$219,080 for the Annual Appropriation Ordinance #2 (AAO) process to budget Council offices up to 2 FTE, meet obligations under the SEIU 1021 CSU/PTRLA MOU, and prevent layoffs.

Financial Implications: See report

Contact: Terry Taplin, Councilmember, District 2, (510) 981-7120

Committee Action Items

4. Fiscal Year 2024 Annual Appropriations Ordinance Amendment *(Item contains supplemental material)*

From: City Manager

Recommendation:

1. Review and discuss the Fiscal Year 2023 year-end encumbrance rollover and requested carryover items and Fiscal Year 2024 new requested adjustments for inclusion within the First Amendment to the FY 2024 Annual Appropriations Ordinance and provide direction to staff.

2. Authorize staff to present the First Amendment to the FY 2024 Annual Appropriations Ordinance to City Council on November 7, 2023, for consideration and first reading.

Financial Implications: See report

Contact: Sharon Friedrichsen, Budget Manager, (510) 981-7000

5. Audit Recommendation Status - Berkeley Police: Improvements Needed to Manage Overtime and Security Work for Outside Entities

From: City Manager

Referred: May 23, 2023

Due: December 1, 2023

Contact: Jennifer Louis, Police, (510) 981-5900

6. Audit Status Reports: Fleet Replacement Fund Short Millions & Rocky Road: Berkeley Streets at Risk and Significantly Underfunded

From: City Manager

Recommendation: ****On May 23, 2023, the City Council referred to the Budget and Finance Policy Committee to prioritize funding to the vehicle replacement fund to make up the shortfall over time in order to stabilize the fund.****

Financial Implications: See report

Contact: Liam Garland, Public Works, (510) 981-6300

Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

7. Accept the Risk Analysis for Long-Term Debt (Bonding Capacity) Report provided by Government Finance Officers Association (Item contains supplemental material)

From: City Manager

Referred: April 26, 2022

Due: February 29, 2024

Recommendation: *****(Item contains supplemental material)*****

Accept the report titled 'Risk-Based Analysis and Stress Test of Long-Term Debt Affordability' as provided by the Government Finance Officers Association (GFOA).

This report is based on their research and development of a risk-modeling tool to address issuing long-term debt related to City of Berkeley Vision 2050.

On April 26, 2022, the City Council referred this item to the City Manager and Budget & Finance Committee to return to Council with recommendations or analysis on as many of the following items as possible by October 2022, if feasible. 1)

Consideration of reserves policies for operational funds other than the General Fund; 2) Potential reduction of the maximum indebtedness rate from 15% of assessed property value down to 4-8% range; 3) A new policy to not incur indebtedness when interest rates go above 5% or a different specific threshold; 4) Tools for increased transparency for taxpayers; 5) Updated report and discussion of pension and healthcare costs; 6) Refer the full Report to the Budget & Finance Committee for consideration.

Financial Implications: None

Contact: Henry Oyekanmi, Finance, (510) 981-7300

8. Investment Report Update - Investment Policies of Other Jurisdictions

From: City Manager

Contact: Henry Oyekanmi, Finance, (510) 981-7300

Items for Future Agendas

- **Requests by Committee Members to add items to the next agenda**

Adjournment

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*Written communications addressed to the Budget & Finance Committee and submitted to the City Clerk Department will be distributed to the Committee prior to the meeting.*

*This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953 and applicable Executive Orders as issued by the Governor that are currently in effect. Members of the City Council who are not members of the standing committee may attend a standing committee meeting even if it results in a quorum being present, provided that the non-members only act as observers and do not participate in the meeting. If only one member of the Council who is not a member of the committee is present for the meeting, the member may participate in the meeting because less than a quorum of the full Council is present. Any member of the public may attend this meeting. Questions regarding public participation may be addressed to the City Clerk Department (510) 981-6900.*



**COMMUNICATION ACCESS INFORMATION:**

This meeting is being held in a wheelchair accessible location. To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the Disability Services specialist at (510) 981-6418 (V) or (510) 981-6347 (TDD) at least three business days before the meeting date. Attendees at public meetings are reminded that other attendees may be sensitive to various scents, whether natural or manufactured, in products and materials. Please help the City respect these needs.

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I hereby certify that the agenda for this meeting of the Standing Committee of the Berkeley City Council was posted at the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way, as well as on the City's website, on November 9, 2023.

A handwritten signature in black ink that reads "Mark Numainville".

Mark Numainville, City Clerk

Communications

Communications submitted to City Council Policy Committees are on file in the City Clerk Department at 2180 Milvia Street, 1st Floor, Berkeley, CA, and are available upon request by contacting the City Clerk Department at (510) 981-6908 or policycommittee@berkeleyca.gov.

