



Office of the City Manager

ACTION CALENDAR

June 4, 2024

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Sharon Friedrichsen, Budget Manager
Subject: Fiscal Years 2025 and 2026 Proposed Budget and Fiscal Years 2025-2029 Capital Improvement Program

RECOMMENDATION

Receive the Proposed Fiscal Years 2025-2029 Capital Improvement Program and provide comments on the Capital Improvement Program and the Fiscal Years 2025 and 2026 Proposed Biennial Operating Budget.

FISCAL IMPACTS OF RECOMMENDATION

The Proposed Budget reflects planned citywide expenditures for Fiscal Years 2025 and 2026, including General Fund expenditures, and options to fund expenditures. The fiscal impact is subject to change based on forthcoming Council direction and will be codified with the adoption of the budget on June 25, 2024.

CURRENT SITUATION AND ITS EFFECTS

In conjunction with the biennial budget process, City staff prepare a Capital Improvement Program (“CIP”) that identifies anticipated capital project expenditures over a five-year timeframe. A capital project is a project that helps maintain, improve, or adds to the City’s infrastructure. Typically, a project is considered a capital project if it results in an acquisition of a new asset or new construction, improvements, expansion, renovation, rehabilitation, repairs, or replacement of an existing City facility or other infrastructure assets and has a long-term useful life of five years or more. The CIP is intended to assist in both the long-term planning and budget process, with the first two years of the CIP known as the Capital Budget that outlines the projected funding needs for Fiscal Years 2025 and 2026.

As part of the development of the Fiscal Years 2025 and 2026 Operating Budget, the Budget and Finance Policy Committee held public meetings on May 8, 9, and 13, 2024 regarding the preliminary General Fund Budget and received presentations from City departments regarding departmental budgets and funding needs.¹

¹ <https://berkeleyca.gov/your-government/city-council/council-committees/policy-committee-budget-finance>

City Council received an overview of the Fiscal Years 2025 and 2026 Operating Budget on May 21, 2024 and the Budget and Finance Policy Committee held another public meeting on May 22, 2024 to provide recommendations regarding the budget. These recommendations will be presented to Council as part of the upcoming June 4, 2024 Council meeting.

The FY 2025 and 2026 Proposed Budget is a Strategic Plan Priority Project, advancing our goal to provide an efficient and financially- health City government.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Actions included in the capital improvement program and the operating budget will be developed and implemented in a manner that is consistent with the City's environmental sustainability goals and requirement

RATIONALE FOR RECOMMENDATION

This recommendation provides an opportunity for the City Council and the community to ask questions and provide input into the Fiscal Years 2025 and 2026 Proposed Budget before budget adoption on June 25, 2024.

ALTERNATIVE ACTIONS CONSIDERED

No alternative actions have been considered.

CONTACT PERSON

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