



AGENDA
BERKELEY CITY COUNCIL AGENDA & RULES COMMITTEE
SPECIAL MEETING

MONDAY, NOVEMBER 3, 2025
2:30 P.M.

Redwood Room – 2180 Milvia Street, Berkeley, CA 94704

Committee Members:

Mayor Adena Ishii, Councilmembers Terry Taplin and Mark Humbert

Alternate: Ben Bartlett

This meeting will be conducted in a hybrid model with both in-person and virtual attendance. Attend this meeting remotely using [Zoom](#). To request to speak, use the “raise hand” function in Zoom. To join by phone: Dial **1-669-254-5252** or **1-833-568-8864 (Toll Free)** and enter **Meeting ID: 160 977 0620**. To provide public comment, Press *9 and wait to be recognized by the Chair. To submit a written communication for the public record, email policycommittee@berkeleyca.gov. All Committee meetings are recorded.

This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Any member of the public may attend this meeting, however, if you are feeling sick, please do not attend the meeting in person.

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.

California Government Code Section 84308 (Levine Act) Parties to a proceeding involving a license, permit, or other entitlement for use are required to disclose if they made contributions over \$500 within the prior 12 months to any City employee or officer. Parties and participants with a financial interest are prohibited from making more than \$500 in contributions to a decisionmaker for the 12 months after the final decision is rendered on the proceeding. The above contribution disclosures and restrictions do not apply when the proceeding is competitively bid, or involves a personnel or labor contract. For more information, see Government Code Section 84308.

AGENDA

Roll Call

Public Comment

Review of Agendas

- 1. Approval of Minutes: October 21, 2025**
- 2. Review and Approve Draft Agenda:**
 - a. 11/18/25 – Regular City Council Meeting
- 3. Adjournments In Memory**

Scheduling

- 4. Council Worksessions Schedule**
- 5. Council Referrals to Agenda Committee for Scheduling**
- 6. Land Use Calendar**

Action Calendar

- None

Unscheduled Items

- None

Items for Future Agendas

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

Adjournment – Next Meeting Monday, November 17, 2025

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## **Additional items may be added to the draft agenda per Council Rules of Procedure.**

*Rules of Procedure as adopted by Council resolution, Article III, C3c - Agenda - Submission of Time Critical Items*

*Time Critical Items. A Time Critical item is defined as a matter that is considered urgent by the sponsor and that has a deadline for action that is prior to the next meeting of the Council and for which a report prepared by the City Manager, Auditor, Mayor or council member is received by the City Clerk after established deadlines and is not included on the Agenda Committee's published agenda.*

*If the Agenda Committee finds the matter to meet the definition of Time Critical, the Agenda Committee may place the matter on the Agenda on either the Consent or Action Calendar.*

*The City Clerk shall not accept any item past the adjournment of the Agenda Committee meeting for which the agenda that the item is requested to appear on has been approved.*

*Written communications addressed to the Agenda Committee and submitted to the City Clerk Department by 5:00 p.m. the Friday before the Committee meeting, will be distributed to the Committee in advance of the meeting and retained as part of the official record.*

*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 [ada@berkeleyca.gov](mailto:ada@berkeleyca.gov), (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 special meeting 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 Thursday, October 30, 2025.



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](mailto:policycommittee@berkeleyca.gov).*



# BERKELEY CITY COUNCIL AGENDA & RULES COMMITTEE SPECIAL MEETING MINUTES

TUESDAY, OCTOBER 21, 2025

2:30 P.M.

Redwood Room – 2180 Milvia Street, Berkeley, CA 94704

Committee Members:

Mayor Adena Ishii, Councilmembers Terry Taplin and Mark Humbert

Alternate: Ben Bartlett

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# MINUTES

**Roll Call:** 2:31 p.m. All present.

**Public Comment** – 4 speakers

## Review of Agendas

**1. Approval of Minutes: October 14, 2025**

**Action:** M/S/C (Humbert/Taplin) to approve the minutes of 10/14/2025.

**Vote:** All Ayes.

**2. Review and Approve Draft Agenda:**

a. 11/10/25 – Regular City Council Meeting

**Action:** M/S/C (Humbert/Taplin) to approve the agenda of 11/10/2025 with the changes noted below.

- *Item 8 Zero Emission Rules (Tregub) – revised item submitted*
- *Item 12 Designating Landmarks (Kesarwani) – scheduled for 11/10 Action Calendar*

Order of Action Items

Item 9 Fire Code Adoption

Item 10 Wildland-Urban Interface Code Adoption

Item 11 Surveillance Technology Report

Item 12 Designating Landmarks

**Vote:** All Ayes.

**3. Adjournments In Memory**

1. Evie Wozniak, Berkeley Resident

## Scheduling

**4. Council Worksessions Schedule** – received and filed

**5. Council Referrals to Agenda Committee for Scheduling** – received and filed

**6. Land Use Calendar** – received and filed

## Action Calendar

- None

## Unscheduled Items

- None

## Items for Future Agendas

- None

## Adjournment

**Action:** M/S/C (Taplin/Humbert) to adjourn the meeting.

**Vote:** All Ayes.

Adjourned at 2:47 p.m.

I hereby certify that the foregoing is a true and correct record of the Agenda & Rules Committee meeting held on October 21, 2025.

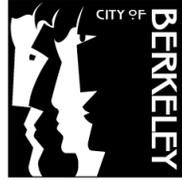
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Rose Thomsen, Deputy City Clerk

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**DRAFT AGENDA**  
**BERKELEY CITY COUNCIL MEETING**  
**Tuesday, November 18, 2025**  
**6:00 PM**

SCHOOL DISTRICT BOARD ROOM - 1231 ADDISON STREET, BERKELEY, CA 94702

ADENA ISHII, MAYOR

Councilmembers:

DISTRICT 1 – RASHI KESARWANI

DISTRICT 2 – TERRY TAPLIN

DISTRICT 3 – BEN BARTLETT

DISTRICT 4 – IGOR TREGUB

DISTRICT 5 – SHOSHANA O'KEEFE

DISTRICT 6 – BRENT BLACKABY

DISTRICT 7 – CECILIA LUNAPARRA

DISTRICT 8 – MARK HUMBERT

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*Live captioned broadcasts of Council meetings are available on B-TV (Channel 33) and via [internet video stream](#). All Council meetings are recorded.*

*This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Any member of the public may attend this meeting, however, if you are feeling sick, please do not attend the meeting in person. The City Council may take action related to any subject listed on the Agenda.*

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## Preliminary Matters

### Roll Call:

**Land Acknowledgement Statement:** *The City of Berkeley recognizes that the community we live in was built on the territory of xučyun (Huchiun (Hooch-yoon)), the ancestral and unceded land of the Chochochenyo (Cho-chen-yo)-speaking Ohlone (Oh-low-nee) people, the ancestors and descendants of the sovereign Verona Band of Alameda County. This land was and continues to be of great importance to all of the Ohlone Tribes and descendants of the Verona Band. As we begin our meeting tonight, we acknowledge and honor the original inhabitants of Berkeley, the documented 5,000-year history of a vibrant community at the West Berkeley Shellmound, and the Ohlone people who continue to reside in the East Bay. We recognize that Berkeley's residents have and continue to benefit from the use and occupation of this unceded stolen land since the City of Berkeley's incorporation in 1878. As stewards of the laws regulating the City of Berkeley, it is not only vital that we recognize the history of this land, but also recognize that the Ohlone people are present members of Berkeley and other East Bay communities today. The City of Berkeley will continue to build relationships with the Lisjan Tribe and to create meaningful actions that uphold the intention of this land acknowledgement.*

**Ceremonial Matters:** *In addition to those items listed on the agenda, the Mayor may add additional ceremonial matters.*

**City Manager Comments:** *The City Manager may make announcements or provide information to the City Council in the form of an oral report. The Council will not take action on such items but may request the City Manager place a report on a future agenda for discussion.*

**Public Comment on Non-Agenda Matters:** *Up to ten persons will be selected to address matters not on the Council agenda. If five or fewer persons are identified to provide non-agenda comment, each person selected will be allotted two minutes each. If more than five persons are selected to address matters not on the Council agenda, each person selected will be allotted one minute each.*

*In-person attendees wishing to address the Council on matters not on the Council agenda during the initial ten-minute period for such comment, must submit a speaker card to the City Clerk in person at the meeting location and prior to the moment that the Presiding Officer calls for public comment on non-agenda items. Remote attendees must raise their hand in the videoconference application when the Presiding Officer calls for non-agenda speakers. The first five raised hands on the videoconference application will be selected to speak and the first five cards drawn at the meeting will be selected to speak. The number of in-person and remote speakers selected may be adjusted by the Presiding Officer if fewer than five speakers from either format are identified.*

*The remainder of the speakers wishing to address the Council on non-agenda items will be heard at the end of the agenda.*

**Public Comment by Employee Unions (first regular meeting of the month):** *This period of public comment is reserved for officially designated representatives of City of Berkeley employee unions, with five minutes allocated per union if representatives of three or fewer unions wish to speak and up to three minutes per union if representatives of four or more unions wish to speak.*

## Consent Calendar

*The Council will first determine whether to move items on the agenda for “Action” or “Information” to the “Consent Calendar”, or move “Consent Calendar” items to “Action.” Three members of the City Council must agree to pull an item from the Consent Calendar or Information Calendar for it to move to Action. Items that remain on the “Consent Calendar” are voted on in one motion as a group. “Information” items are not discussed or acted upon at the Council meeting unless they are moved to “Action” or “Consent”.*

*No additional items can be moved onto the Consent Calendar once public comment has commenced. At any time during, or immediately after, public comment on Information and Consent items, any Councilmember may move any Information or Consent item to “Action.” Following this, the Council will vote on the items remaining on the Consent Calendar in one motion.*

*For items moved to the Action Calendar from the Consent Calendar or Information Calendar, persons who spoke on the item during the Consent Calendar public comment period may speak again at the time the matter is taken up during the Action Calendar.*

**Public Comment on Consent Calendar and Information Items Only:** *The Council will take public comment on any items that are either on the amended Consent Calendar or the Information Calendar. If ten or fewer persons are interested in speaking on an individual agenda item, each speaker may speak for two minutes. If there are more than ten persons interested in speaking, the Presiding Officer may limit the public comment for all speakers to one minute per speaker. Speakers are permitted to yield their time to one other speaker, however no one speaker shall have more than four minutes. The Presiding Officer may, with the consent of persons representing both sides of an issue, allocate a block of time to each side to present their issue. A speaker may only speak once during the period for public comment on Consent Calendar and Information items.*

*Additional information regarding public comment by City of Berkeley employees and interns: Employees and interns of the City of Berkeley, although not required, are encouraged to identify themselves as such, the department in which they work and state whether they are speaking as an individual or in their official capacity when addressing the Council in open session or workshops.*

## Consent Calendar

- 1. Amending Berkeley Municipal Code Chapter 7.54 The Empty Homes Tax**  
**From: City Manager**  
**Recommendation:** Adopt second reading of Ordinance No. 7,986-N.S. amending Berkeley Municipal Code Chapter 7.54 The Empty Homes Tax to address issues that arose in the first annual billing and to simplify administration of the tax.  
**First Reading Vote:** All Ayes.  
**Financial Implications:** See report  
Contact: David White, City Manager's Office, (510) 981-7000
- 2. Amendment to Ground Lease with East Bay Regional Park District at 400 Gilman Street (Tom Bates Regional Sports Complex)**  
**From: City Manager**  
**Recommendation:** Adopt second reading of an Ordinance No. 7,987-N.S. authorizing the City Manager to execute an amendment to the Ground Lease with East Bay Regional Park District for the Tom Bates Regional Sports Complex at 400 Gilman Street extending the term to December 31, 2053 and includes improvements to be constructed by the City.  
**First Reading Vote:** All Ayes.  
**Financial Implications:** See report  
Contact: Scott Ferris, Parks, Recreation and Waterfront, (510) 981-6700

## Consent Calendar

- 3. Remove Pre-Transfer Eligibility Restriction of the Transfer Tax Rebate for Wildfire Hardening**  
**From: Disaster and Fire Safety Commission**  
**Recommendation:** Adopt second reading of Ordinance No. 7,989-N.S. amending Berkeley Municipal Code Section 7.52.060 addressing real property transfer tax exceptions related to home hardening.  
**First Reading Vote:** Ayes – Kesarwani, Taplin, Bartlett, Tregub, Lunaparra, Ishii; Noes – Blackaby, Humbert; Abstain – O’Keefe.  
**Financial Implications:** See report  
Contact: Keith May, Commission Secretary, (510) 981-3473
- 4. Amend Ordinance Prohibiting the Sale or Use of Coordinated Pricing Algorithms (BMC 13.63)**  
**From: City Attorney**  
**Recommendation:** Adopt amendments to the Ordinance Prohibiting the Sale or Use of Coordinated Pricing Algorithms to Set Rents or Manage Occupancy Levels for Residential Dwelling Units (BMC 13.63).  
**Financial Implications:** See report  
Contact: Farimah Brown, City Attorney, (510) 981-6950
- 5. Minutes for Approval**  
**From: City Manager**  
**Recommendation:** Approve the minutes for the Council meetings of October 14, 2025 (regular), October 27, 2025 (closed), October 28, 2025 (special and regular).  
**Financial Implications:** None  
Contact: Mark Numainville, City Clerk, (510) 981-6900
- 6. Contract: General Code, LLC for Berkeley Municipal Code Publishing Services**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution authorizing the City Manager to execute a contract with General Code, LLC, for online and printed code publishing services for the Berkeley Municipal Code from November 20, 2025 through November 19, 2030 for a total not to exceed amount of \$75,000.  
**Financial Implications:** General Fund - \$75,000  
Contact: Mark Numainville, City Clerk, (510) 981-6900

## Consent Calendar

**7. Contract with Options Recovery Services for Berkeley CareBridge Program and Appropriation for Administrative and Evaluation Support in the City Manager's Office**

**From: City Manager**

**Recommendation:** Adopt a Resolution authorizing the City Manager to: 1) Execute a contract with Options Recovery Services for an amount not-to-exceed \$7,510,842.00 to operate the Berkeley CareBridge post-arrest diversion and reentry program for three (3) years, and execute any amendments thereto (including scope, budget realignments, and time extensions) that remain within the grant award and City policies; and 2) Appropriate \$409,158.00 in funding for administrative and evaluation support within the City Manager's Office for the Assistant to the City Manager position (temporary), equivalent to 0.5079 FTE over three years to support grant administration, program oversight, and evaluation requirements.

**Financial Implications:** See report

Contact: Carianna Arredondo, City Manager's Office, (510) 981-7000

**8. Amendment: FY 2026 Annual Appropriations Ordinance**

**From: City Manager**

**Recommendation:** Adopt first reading of an Ordinance amending the FY 2026 Annual Appropriations Ordinance No. 7,977–N.S. for fiscal year 2026 based upon recommended re-appropriation of committed FY 2025 funding and other adjustments authorized since July 1, 2025.

**Financial Implications:** See report

Contact: Maricar Dupaya, Budget Manager, (510) 981-7000

**9. Contract No. 32000179 Amendment: Allied Universal Security Service for Citywide Unarmed Security Services**

**From: City Manager**

**Recommendation:** Adopt a Resolution authorizing the City Manager to execute an amendment to Contract No. 32000179 with Allied Universal Security Service (formerly First Alarm Security & Patrol, Inc.) for citywide unarmed security services in the amount of \$1,000,000 for a new total not to exceed \$5,450,000 and extend the contract through June 30, 2026.

**Financial Implications:** See report

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

**10. Formal Bid Solicitations and Request for Proposals Scheduled for Possible Issuance After Council Approval on November 18, 2025**

**From: City Manager**

**Recommendation:** Approve the request for proposals or invitation for bids that will be, or are planned to be, issued upon final approval by the requesting department or division. All contracts over the City Manager's threshold will be returned to Council for final approval.

**Financial Implications:** \$8,053,016 - Various Funds

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

## Consent Calendar

- 11. Purchase Order: Blaisdell's Business products for office furniture and equipment for Fire Headquarters**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution authorizing the City Manager to issue purchase orders with Blaisdell's Business Products for the purchase of miscellaneous office supplies, small equipment and office furniture for Fire Headquarters using the Omnia Partners Region 4 ESC Contract No. R190301 for an amount not to exceed \$1,500,000 through May 31, 2026, with the option of one (1) single-year extension if the Omnia contract is extended.  
**Financial Implications:** Funding for will come from Measure FF (Fire and Emergency Services) and UC Settlement funds.  
Contact: David Sprague, Fire, (510) 981-3473
- 12. Golden Bear Homes Partnership Transfer**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution: 1. Approving the transfer of the Managing General Partner role for Golden Bear Homes, LP from Bay Area Community Services (BACS) to Hearthstone Housing Foundation (Hearthstone); and 2. Approving BACS' assignment and Hearthstone's assumption of BACS' obligation under the loan and regulatory agreements for Golden Bear Homes; and 3. Authorizing the City Manager or designee to execute all original or amended documents to effectuate this action.  
**Financial Implications:** See report  
Contact: Scott Gilman, Health, Housing, and Community Services, (510) 981-5400
- 13. Contract No. 104289-1 Amendment: Jackson & Coker for Locums Tenens Psychiatrists**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution authorizing the City Manager or designee to amend Contract No. 104289-1 with vendor Jackson & Coker Locum Tenens, LLC to provide locum tenens psychiatrists in an amount of \$500,000 for a not to exceed amount of \$1,464,480 through June 30, 2026.  
**Financial Implications:** See report  
Contact: Scott Gilman, Health, Housing, and Community Services, (510) 981-5400
- 14. Adoption of Side Letter Agreements Between the City of Berkeley and the Berkeley Fire Fighters Association (BFFA), Berkeley Fire EMS Professionals Association (BFEMSA), and Berkeley Fire Chief Officers Association (BFOA) to Clarify the Calculation and Reporting of Special Compensation Under CalPERS Regulations**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution approving Side Letter Agreements between the City of Berkeley and the Berkeley Fire Fighters Association (BFFA), Berkeley Fire EMS Professionals Association (BFEMSA), and Berkeley Fire Chief Officers Association (BFOA) to clarify the calculation and reporting of special compensation under CalPERS regulations.  
**Financial Implications:** None  
Contact: Janelle Rodrigues, Human Resources, (510) 981-6800

## Consent Calendar

- 15. Adoption of Side Letter Agreement with Berkeley Police Association to Clarify the Calculation and Reporting of Special Compensation Under CalPERS Regulations**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution approving the Side Letter Agreement between the City of Berkeley and the Berkeley Police Association (BPA) to clarify and confirm the compounding and reporting of special compensation under CalPERS regulations.  
**Financial Implications:** See report  
Contact: Janelle Rodrigues, Human Resources, (510) 981-6800
- 16. Contract: Alcor Solutions, Inc. for Professional Services for ServiceNow and Intranet**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution authorizing the City Manager to execute a contract and any amendments with Alcor Solutions, Inc. to provide professional services for ServiceNow and the City's Intranet from November 1, 2025 to June 30, 2027 for an amount not-to-exceed \$450,000.  
**Financial Implications:** See report  
Contact: Kevin Fong, Information Technology, (510) 981-6500
- 17. Contract No. 32100079 Amendment: ePlus Technology Inc., for Cohesity Backup Software, Maintenance and Support**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution authorizing the City Manager to amend Contract No. 32100079 to increase the spending authority with ePlus Technology Inc. ("ePlus"), for Cohesity backup software, maintenance and support services increasing the amount by \$110,000 for a total not-to-exceed amount of \$718,400 from November 1, 2020 to November 30, 2026.  
**Financial Implications:** \$110,000 - Information Technology Cost Allocation Fund  
Contact: Kevin Fong, Information Technology, (510) 981-6500

## Consent Calendar

- 18. Contract: Paymun Building & Development, Inc. for the K-Dock Restroom Renovation Project**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution: 1. Approving the plans and specifications for the K-Dock Restroom Renovation Project (Bid Specification No. 25-11743-C); and 2. Rejecting the bid from ERA Construction, Inc., the fourth lowest bidder and deem ERA Construction, Inc. ineligible to protest against Argos Construction, apparent lowest bidder, Paymun Building & Development, Inc., apparent second lowest bidder, and Green Bay Remodeling, Inc., apparent third lowest bidder; and 3. Rejecting the bid from Argos Construction as non-responsive; and 4. Accepting the bid of Paymun Building & Development, Inc. as the lowest responsive and responsible bidder on the Project; and 5. Authorizing the City Manager to execute a contract and any amendments, extensions or other change orders until completion of the project in accordance with the approved plans and specifications, with Paymun Building & Development, Inc., for the K-Dock Restroom Renovation Project, in an amount not to exceed \$440,000, which includes a contract amount consisting of base bid of \$368,000, additive bid item in the amount of \$32,000, and a 10% contingency in the amount of \$40,000.  
**Financial Implications:** \$440,000 - Various Funds  
Contact: Scott Ferris, Parks, Recreation and Waterfront, (510) 981-6700
- 19. Mills Act Contract – 1619 Walnut Street**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution authorizing the City Manager to enter into a Mills Act contract with Noemi Ruelas for the maintenance and restoration of a City Structure of Merit property at 1619 Walnut Street.  
**Financial Implications:** See report  
Contact: Jordan Klein, Planning and Development, (510) 981-7400
- 20. Contract: DC Electric for On-Call Electrical Services**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution authorizing the City Manager to execute a contract and any amendments with DC Electric to provide on-call electrical services for a three-year period from December 1, 2025 to November 30, 2028, in an amount not to exceed \$375,000, with an option to extend for two additional one-year terms. The service rates will be adjusted annually in accordance with the pricing outlined in the awarded bid.  
**Financial Implications:** See report  
Contact: Terrance Davis, Public Works, (510) 981-6300

## Consent Calendar

- 21. Contract No. 32500098 Amendment: Pacific Site Management Landscaping Services for Gilman Street and Interstate 80 Interchange Project**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution authorizing the City Manager to execute an amendment to Contract No. 32500098 with Pacific Site Management to increase the spending authority by \$300,000, for a new total not to exceed of \$600,000 and extending the contract through June 30, 2028, and executing a reimbursement agreement with the Alameda County Transportation Commission for up to \$300,000.  
**Financial Implications:** See report  
Contact: Terrance Davis, Public Works, (510) 981-6300
- 22. Contract: On-Call Handrail Fabrication and Installation Services, Bailey Fence Company, Inc**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution authorizing the City Manager to execute a contract with Bailey Fence Company, Inc. for on-call handrail fabrication and installation services for a three-year period from January 1, 2026, through December 31, 2028, in an amount not to exceed \$150,000.  
**Financial Implications:** See report  
Contact: Terrance Davis, Public Works, (510) 981-6300
- 23. Contracts: On-Call Industrial Hygiene and Regulatory Compliance Services**  
**From: City Manager**  
**Recommendation:** Adopt four Resolutions authorizing the City Manager to execute the following contracts, and any amendments, extensions or other change orders for on-call industrial hygiene (IH) services and on-call regulatory compliance (RC) services, each for a contract period of January 1, 2026 to January 1, 2029:  
1. IH: Acumen Industrial Hygiene, Inc for an amount not to exceed \$100,000;  
2. IH: Millennium Consulting Associates for an amount not to exceed \$100,000;  
3. IH: Ninyo & Moore Geotechnical & Environmental Sciences Consultants: for an amount not to exceed \$100,000; and  
4. RC: Geosyntec Consultants, Inc. for an amount not to exceed \$4,000,000.  
**Financial Implications:** See report  
Contact: Terrance Davis, Public Works, (510) 981-6300
- 24. Multi-Year Purchase Orders with Papé Kenworth Inc. for Parts and Related Equipment for Kenworth, Peterbilt, and PACCAR Medium-and Heavy-Duty Trucks**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution authorizing the City Manager to execute purchase orders with Papé Kenworth, Inc., an authorized dealer of Kenworth Truck Company, a Division of PACCAR Inc., for parts and related equipment used on Kenworth, Peterbilt, and PACCAR medium and heavy-duty trucks, in an amount not to exceed \$380,000, for a period of three-years.  
**Financial Implications:** See report  
Contact: Terrance Davis, Public Works, (510) 981-6300

## Consent Calendar

- 25. Recommendation to Rename "5 ½ Street" Alleyway as Jeronimus Alley**  
**From: Transportation and Infrastructure Commission**  
**Recommendation:** Adopt a Resolution, by at least a two-thirds Council majority, renaming the alleyway running parallel between 5th and 6th streets, located between Camelia Street and Virginia Street, unofficially labeled as "5 ½ Street," to "Jeronimus Alley" in honor of Wayne Jeronimus.  
**Financial Implications:** See report  
Contact: Mark Helmbrecht, Secretary, Transportation and Infrastructure Commission  
510-981- 6403

## Council Consent Items

- 26. Unmanned Aerial Systems and Drones as First Responders**  
**From: Councilmember Taplin (Author), Councilmember Kesarwani (Co-Sponsor), Councilmember Humbert (Co-Sponsor)** *(Reviewed by the Public Safety Committee)*  
**Recommendation:** Refer to the City Manager the initiation of the process outlined by BMC 2.99: Surveillance Technology Ordinance (STO) for the Berkeley Police Department (BPD) to acquire and use Unmanned Aerial Systems (UAS), including Drones as First Responders (DFR), consistent with all auditing, transparency, data and privacy protections required for all use policies and acquisition reports under the STO.  
*Policy Committee Recommendation: Send the item with a positive recommendation to Council.*  
**Financial Implications:** See report  
Contact: Terry Taplin, Councilmember, District 2, (510) 981-7120
- 27. Recommendations for the Formulation of Advanced Fiscal Policies to Institutionalize Strategic Bond Issuance, Optimize Municipal Investment Returns, and Leverage Intergovernmental and Philanthropic Capital Funding**  
**From: Councilmember Taplin (Author)** *(Reviewed by the Budget and Finance Committee)*  
**Recommendation:**  
1. Structured Bond Issuance Framework: Refer to the City Manager assessment, analysis, and presentation to the Council of a potential comprehensive fiscal policy every two years that institutionalizes, codifies, and makes publicly accessible a regular, predictive schedule for general obligation bond issuance. This potential policy, in addition to and alongside existing practices, may be informed by actuarial and capital market analysis of the City's bonding capacity and be modeled on established frameworks utilized in fiscally disciplined jurisdictions such as San Francisco, Santa Monica, and others. The goal is to remediate the City's substantial deferred maintenance liabilities and strategically advance the Capital Improvement Program (CIP).  
2. Modernize Investment Policy: Refer to the City Manager the enactment of a detailed review and performance benchmarking of the City's current investment policies, ordinances, and resolutions. Based on this review, the City Manager may

**Council Consent Items**

consider: -Amendments to align Berkeley’s portfolio management practices with those of peer jurisdictions in the Bay Area; -Asset strategies that maintain compliance with CA Government Code §53600 et seq. while improving yields through enhanced diversification and duration matching;  
3. Comparative Bond Issuance Analysis and Timeline: Refer the City Manager to conduct a comprehensive analysis of historical general obligation bond issuance and debt service rates in Berkeley and comparable jurisdictions. The analysis may consider the following: - Examine 30 years of municipal bond trends, showing the consistency of low interest rates during fiscally disciplined cycles; -Compare Berkeley's historical borrowing costs with those of San Francisco, Santa Monica, Palo Alto, and other cities; -Demonstrate the efficacy of maintaining a regular issuance schedule every 6–10 years to preserve low borrowing rates and steady bond ratings; -Present a 30-year fiscal projection showing that with prudent debt layering and consistent retirement of obligations, Berkeley can issue up to \$250–\$300 million in bonds in successive tranches while maintaining fiscal health and AAA-quality debt service coverage ratios, and examine the impact on deferred infrastructure liabilities. The City Manager is requested to return with a projected 25–30 year financing timeline that identifies capital milestones, projected issuances, debt service loads, and cost-saving thresholds compared to inflation-driven delays. This timeline shall be paired with policy recommendations to ensure adherence to long-range financial planning objectives.

*Policy Committee Recommendation: to send the item to Council with a Qualified Positive Recommendation with the changes as proposed by Councilmember Taplin as follows:*

1. *Structured Bond Issuance Framework*  
*Refer to the City Manager assessment, analysis, and development and presentation to the Council of a potential of a comprehensive fiscal policy every two years that institutionalizes, codifies, and makes publicly accessible, codifies current practices a regular, predictive schedule for general obligation bond issuance. This potential policy, in addition to and alongside existing practices, smayould be informed by actuarial and capital market analysis of the City’s bonding capacity and be modeled on established frameworks utilized in fiscally disciplined jurisdictions such as San Francisco, and Santa Monica, and others. The goal is to remediate the City’s substantial deferred maintenance liabilities and strategically advance the Capital Improvement Program (CIP).*

2. *Modernize Investment Policy and Establish a Capital Grant Matching Fund*  
*Refer to the City Manager the enactment of a detailed review and performance benchmarking of the City’s current investment policies, ordinances, and resolutions. Based on this review, the City Manager may consider should recommend:*  
*-Amendments to align Berkeley’s portfolio management practices with those of peer jurisdictions in the Bay Area;*  
*-Asset strategies that maintain compliance with CA Government Code §53600 et seq. while improving yields through enhanced diversification and duration matching;*  
*Establishment of a dedicated Capital Grant Matching Fund, capitalized with a designated portion of net investment returns, to maximize Berkeley’s competitiveness in securing grants under federal programs such as the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and state-funded resilience*

## Council Consent Items

*initiatives-*

### 3. ~~Develop~~ a Comparative Bond Issuance Analysis and Timeline

*Refer the City Manager to conduct a comprehensive analysis of historical general obligation bond issuance and debt service rates in Berkeley and comparable jurisdictions. The analysis may consider the following should:*

*-Examine 30 years of municipal bond trends, showing the consistency of low interest rates during fiscally disciplined cycles;*

*-Compare Berkeley's historical borrowing costs with those of San Francisco, Santa Monica, ~~and~~ Palo Alto, and other cities;*

*-Demonstrate the efficacy of maintaining a regular issuance schedule every 6–10 years to preserve low borrowing rates and steady bond ratings;*

*-Present a 30-year fiscal projection showing that with prudent debt layering and consistent retirement of obligations, Berkeley can issue up to \$250–\$300 million in bonds in successive tranches while maintaining fiscal health and AAA-quality debt service coverage ratios, and examine the impact on deferred infrastructure liabilities.*

**Financial Implications:** See report

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

## Action Calendar

*The public may comment on each item listed on the agenda for action. For items moved to the Action Calendar from the Consent Calendar or Information Calendar, persons who spoke on the item during the Consent Calendar public comment period may speak again during the Action Calendar public comment period on the item*

*The Presiding Officer will request that persons wishing to speak line up at the podium, or use the "raise hand" function in Zoom, to determine the number of persons interested in speaking at that time. If ten or fewer persons are interested in speaking on an individual agenda item, each speaker may speak for two minutes. If there are more than ten persons interested in speaking, the Presiding Officer may limit the public comment for all speakers to one minute per speaker. Speakers are permitted to yield their time to one other speaker, however no one speaker shall have more than four minutes. The Presiding Officer may, with the consent of persons representing both sides of an issue, allocate a block of time to each side to present their issue.*

*Action items may be reordered at the discretion of the Chair with the consent of Council.*

*The Presiding Officer may open and close an additional comment period for Action items on this agenda (excluding any public hearings, appeals, and/or quasi-judicial matters), at the start of the Action Calendar. Those who speak on an item during this comment period may not speak a second time when the item is taken up by Council.*

## Action Calendar – Public Hearings

*Staff shall introduce the public hearing item and present their comments. For certain hearings, this is followed by five-minute presentations each by first the appellant and then the applicant. The Presiding Officer will request that persons wishing to speak line up at the podium, or use the "raise hand" function in Zoom, to be recognized and to determine the number of persons interested in speaking at that time.*

*If ten or fewer persons are interested in speaking during a public hearing, each speaker may speak for two minutes. If there are more than ten persons interested in speaking, the Presiding Officer may limit the public comment for all speakers to one minute per speaker. Speakers are permitted to yield their time to one other speaker, however no one speaker shall have more than four minutes. The Presiding Officer may with the consent of persons representing both sides of an issue allocate a block of time to each side to present their issue.*

## Action Calendar – Public Hearings

*When applicable, each member of the City Council shall verbally disclose all ex parte contacts concerning the subject of the hearing. Councilmembers shall also submit a report of such contacts in writing prior to the commencement of the hearing. Written reports shall be available for public review in the office of the City Clerk.*

- 28. Adoption of Berkeley Building Codes, Including Local Amendments to California Building Standards Code**  
**From: City Manager**  
**Recommendation:** Conduct a public hearing, and upon conclusion adopt the second reading of Ordinance No. 7,988-N.S repealing and reenacting the Berkeley Building, Residential, Electrical, Mechanical, Plumbing, Energy and Green Building Standards Codes in BMC Chapters 19.28, 19.29, 19.30, 19.32, 19.34, 19.36 and 19.37, and adopting related procedural and stricter provisions where the modifications or changes are substantially equivalent to changes or modifications that were previously filed by the City and were in effect as of September 30, 2025.  
**First Reading Vote:** All Ayes.  
**Financial Implications:** See report  
**Contact:** Jordan Klein, Planning and Development, (510) 981-7400
- 29. Zoning Ordinance Amendments to Title 23 of the Berkeley Municipal Code for Consistency with State Law and Technical Edits (SLTE 2025)**  
**From: City Manager**  
**Recommendation:** Conduct a public hearing and upon conclusion, adopt the first reading of an Ordinance amending the following sections of the Berkeley Municipal Code (BMC) to maintain consistency and accuracy:  
- 23.202.030 Additional Permit Requirements (Residential)  
- 23.202.050 R-1 Single Family Residential District  
- 23.202.080 R-2 Restricted Two-Family Residential District  
- 23.202.090 R-2A Restricted Multiple-Family Residential District  
- 23.202.100 R-3 Multiple-Family Residential District  
- 23.206.090 MU-R Mixed Use Residential District  
- 23.326.030 Demolition of Residential Units  
- 23.326.040 Eliminating Dwelling Units through Combination with Other Units  
**Financial Implications:** None  
**Contact:** Jordan Klein, Planning and Development, (510) 981-7400

## Action Calendar – Policy Committee Track Items

- 30. Sanctuary City Contracting Ordinance Updates**  
**From: Councilmember Lunaparra (Author), Mayor Ishii (Co-Sponsor), Councilmember Humbert (Co-Sponsor), Councilmember Blackaby (Co-Sponsor)**  
**Recommendation:** Adopt the proposed amendments to the Sanctuary City Contracting Ordinance (BMC 13.105) to mirror key definitions with the language in the new Sanctuary City Ordinance and shorten the Right to Cure time period from 90 days to 30 days.  
**Financial Implications:** None  
**Contact:** Cecilia Lunaparra, Councilmember, District 7, (510) 981-7170

## Action Calendar – Policy Committee Track Items

31. **Pausing City of Berkeley Authorization for Mills Act Agreements**  
**From: Councilmember Humbert (Author), Mayor Ishii (Co-Sponsor), Councilmember Kesarwani (Co-Sponsor), Councilmember Lunaparra (Co-Sponsor)**  
**Recommendation:** Adopt a Resolution pausing the City of Berkeley's authorization to use Mills Act Agreements for historic property preservation, deferring or denying all pending applications as of November 19, 2025, and allowing existing contracts to expire without renewal unless the City Council takes future action to reauthorize the program.  
**Financial Implications:** See report  
Contact: Mark Humbert, Councilmember, District 8, (510) 981-7180

## Information Reports

32. **2025 Audit Follow-up Status Update**  
**From: Auditor**  
Contact: Jenny Wong, Auditor, (510) 981-6750
33. **Independent Third-Party Audit of the Payroll Audit Division**  
**From: Auditor**  
Contact: Jenny Wong, Auditor, (510) 981-6750

## Public Comment – Items Not Listed on the Agenda

## Adjournment

**NOTICE CONCERNING YOUR LEGAL RIGHTS:** *If you object to a decision by the City Council to approve or deny a use permit or variance for a project the following requirements and restrictions apply: 1) No lawsuit challenging a City decision to deny (Code Civ. Proc. §1094.6(b)) or approve (Gov. Code 65009(c)(5)) a use permit or variance may be filed more than 90 days after the date the Notice of Decision of the action of the City Council is mailed. Any lawsuit not filed within that 90-day period will be barred. 2) In any lawsuit that may be filed against a City Council decision to approve or deny a use permit or variance, the issues and evidence will be limited to those raised by you or someone else, orally or in writing, at a public hearing or prior to the close of the last public hearing on the project.*

Archived indexed video streams are available at: [berkeleyca.gov/council-agendas](https://berkeleyca.gov/council-agendas).  
Channel 33 rebroadcasts the following Wednesday at 9:00 a.m. and Sunday at 9:00 a.m.

Communications to the City Council are public record and will become part of the City's electronic records, which are accessible through the City's website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service to the City Clerk Department at 2180 Milvia Street. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk Department for further information.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at the public counter at the City Clerk Department located on the first floor of City Hall located at 2180 Milvia Street, and through the City's online records portal: <https://records.cityofberkeley.info/>.

Agendas, agenda reports, and revised/supplemental material may be accessed via the online agenda for this meeting at: [berkeleyca.gov/council-agendas](http://berkeleyca.gov/council-agendas) and may be accessed at reference desks at the following locations:

City Clerk Department - 2180 Milvia Street, First Floor  
Tel: 510-981-6900, TDD: 510-981-6903, Fax: 510-981-6901  
Email: [clerk@berkeleyca.gov](mailto:clerk@berkeleyca.gov)

Libraries: Main – 2090 Kittredge Street,  
Claremont Branch – 2940 Benvenue, West Branch – 1125 University,  
North Branch – 1170 The Alameda, Tarea Hall Pittman South Branch – 1901 Russell

**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 [ada@berkeleyca.gov](mailto:ada@berkeleyca.gov), (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.

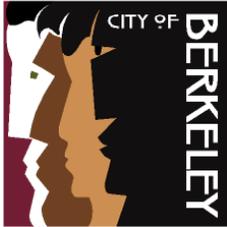


Captioning services are provided at the meeting, on B-TV, and on the Internet. In addition, assisted listening devices for the hearing impaired are available from the City Clerk prior to the meeting, and are to be returned before the end of the meeting.

Questions regarding public participation may be addressed to the City Clerk Department (510) 981-6900 or by email at [clerk@berkeleyca.gov](mailto:clerk@berkeleyca.gov).

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Transportation and Infrastructure Commission

CONSENT CALENDAR

November 18, 2025

To: Honorable Mayor and Members of the City Council  
 From: Transportation and Infrastructure Commission  
 Submitted by: Ren Zaro, Commission Chair  
 Subject: Recommendation to Rename "5 ½ Street" Alleyway as Jeronimus Alley

RECOMMENDATION

Adopt a Resolution, by at least a two-thirds Council majority, renaming the alleyway running parallel between 5<sup>th</sup> and 6<sup>th</sup> streets, located between Camelia Street and Virginia Street, unofficially labeled as "5 ½ Street," to "Jeronimus Alley" in honor of Wayne Jeronimus.

FISCAL IMPACTS OF RECOMMENDATION

The funding required for the new signage and installation is estimated to cost \$2,400 and is available in the FY 2026 adopted budget in General Fund 011.

CURRENT SITUATION AND ITS EFFECTS

As part of its September 21, 2023 meeting, the Transportation and Infrastructure Commission (TIC) heard a request from the Berkeley Path Wanderers Association to name the alleyway running parallel between 5<sup>th</sup> and 6<sup>th</sup> streets, located between Camelia Street and Virginia Street, as "Jeronimus Alley" in honor of Wayne Jeronimus. At its October 16, 2025 meeting, the Commission considered and acted by voting to recommend to Council that they approve the name change to Jeronimus Alley:

**Action:** It was Moved / Seconded (Leung / Moss) to recommend to the City Council that they approve the name change of "5-1/2 Street" to Jeronimus Alley for the alleyway running parallel between 5th and 6th Streets from Camelia to Virginia Street.

**Vote:**

Ayes: Fike; Gattu; Hothi; Leung; Lutzker; Moss; Walton; Zaro  
 Noes: None; Abstain: None; Absent: Scheider; Recused: None  
 Motion passed

As per City policy, public facilities should generally not be named after living persons. To override this policy, a two-thirds majority vote of the City Council would be required.

BACKGROUND

Wayne Jeronimus worked for the City of Berkeley Housing Department from 1976 to 2000, where he was part of a team working to provide affordable housing within city limits. He led the City's popular first-time homebuyers' program and worked on a project to preserve Victorian cottages for limited-income residents.

Currently, there is no officially recognized name for this alleyway, though on Google Maps, it is unofficially labeled as "5 ½ Street".

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

As this alleyway has no addresses, there would be no impact on public services as a result of the naming.

RATIONALE FOR RECOMMENDATION

The Transportation and Infrastructure Commission considered the naming request to be reasonable and appropriate, as Mr. Jeronimus has had a positive effect on the community during his lifetime, and the current unofficial name of the alleyway does not have significant historical or geographical importance.

ALTERNATIVE ACTIONS CONSIDERED

None.

CITY MANAGER

The City Manager concurs with the content and recommendations of the Commission's Report.

CONTACT PERSON

Mark Helmbrecht, Secretary, Transportation and Infrastructure Commission  
510-981- 6403

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

NAMING THE ALLEYWAY BETWEEN 5TH AND 6TH STREETS, LOCATED  
BETWEEN CAMELIA ST AND VIRGINIA ST, AS "JERONIMUS ALLEY"

WHEREAS, Wayne Jeronimus worked for the City of Berkeley Housing Department from 1976 to 2000, where he was part of a team working to provide affordable housing within city limits, led the City's popular first-time homebuyers program, and worked on a project to preserve Victorian cottages for limited-income residents; and

WHEREAS, the Berkeley Path Wanderers Association submitted a request to name the alleyway running parallel between 5th and 6th Streets, located between Camelia St and Virginia St, to "Jeronimus Alley" in honor of Wayne Jeronimus; and

WHEREAS, the Transportation and Infrastructure Commission, at its meeting on September 21, 2023, heard a request to name "5-1/2 Street" as Jeronimus Alley; and

WHEREAS, the Transportation and Infrastructure Commission, at its meeting on October 16, 2025, considered and took action by voting to recommend to the City Council that they approve naming "5-1/2 Street" as Jeronimus Alley; and

WHEREAS, the City Council's Policy for Naming and Renaming Public Facilities allows for a public facility to be named after a living person if the City Council approves the resolution by a two-thirds vote; and

WHEREAS, the cost to install eight (8) street signs on posts would total approximately \$2,400 and is available in the adopted FY 2026 Budget.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the alleyway running parallel between 5<sup>th</sup> and 6<sup>th</sup> streets, located between Camelia Street and Virginia Street, shall be named "Jeronimus Alley" in honor of Wayne Jeronimus.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to take all necessary steps to implement this resolution, including the installation of appropriate signage.





CONSENT CALENDAR  
November 18, 2025

To: Honorable Mayor and Members of the City Council

From: Councilmember Taplin (author), Councilmember Kesarwani (co-sponsor), and Councilmember Humbert (co-sponsor)

Subject: Unmanned Aerial Systems and Drones as First Responders

#### RECOMMENDATION

Refer to the City Manager the initiation of the process outlined by BMC 2.99: Surveillance Technology Ordinance (STO) for the Berkeley Police Department (BPD) to acquire and use Unmanned Aerial Systems (UAS), including Drones as First Responders (DFR), consistent with all auditing, transparency, data and privacy protections required for all use policies and acquisition reports under the STO.

#### POLICY COMMITTEE RECOMMENDATION

On October 16, 2025 the Public Safety Committee adopted the following action: M/S/C (Kesarwani/O'Keefe) to send the item with a positive recommendation to Council.

#### CURRENT SITUATION AND ITS EFFECTS

The City of Berkeley, like many municipalities, is navigating the dual challenge of increasing public safety demands and constrained departmental resources. At the same time, the public expects rapid, transparent, and equitable responses to emergencies, complex incidents, and quality-of-life issues.

In this context, Unmanned Aerial Systems (UAS) and Drones as First Responders (DFR) are emerging as tools with the potential to significantly enhance public safety operations, emergency response capabilities, and resource efficiency. Many jurisdictions—including San Francisco, Richmond, Santa Monica, and Alameda County—have implemented such programs to reduce response times, improve situational awareness, and increase officer and community safety.

In 2023, BPD completed an STO process, allowing requests for drone mutual aid from other agencies. Those deployments have successfully protected the lives of community members, suspects, and officers. However, reliance on outside agencies restricts availability, creates unpredictable costs, and prevents the development of a DFR program. To realize the full benefits of drone technology, Berkeley should move toward acquiring its own systems.

As interest in UAS and DFR capabilities grows—particularly for applications such as search and rescue, disaster response, and crime scene documentation—it is critical that Berkeley move proactively, ensuring any exploration or potential implementation is rooted in community values, transparency, and civil liberties.

### BACKGROUND

Across California and the United States, local governments and public safety agencies are adopting Unmanned Aerial Systems (UAS) and Drones as First Responders (DFR) to address evolving operational challenges. These technologies are increasingly viewed as critical tools for supporting effective, timely, and equitable emergency response, especially in cities facing staff shortages, high service demands, and climate-related emergencies.

UAS are remotely piloted aircraft systems typically operated by trained personnel during active incidents to support operations such as search and rescue, missing persons cases, traffic collision investigations, and crime scene documentation. More advanced models of deployment—such as DFR—enable drones to be autonomously dispatched from pre-positioned locations in response to 911 calls, often arriving before human responders and streaming live video to dispatch and field units. This real-time aerial intelligence can help prevent unnecessary use of force, support de-escalation, and reduce officer risk.

Peer jurisdictions—including San Francisco, Richmond, Santa Monica, and Alameda County—have implemented drone programs to enhance operational capacity while maintaining strong public accountability. This referral authorizes the City Manager to evaluate the feasibility of a drone program to assess its technical, legal, and financial dimensions, as well as its potential benefits and risks in Berkeley. Early conversations have identified applications for multiple City departments, including disaster response, infrastructure inspection, and environmental monitoring.

Establishing a citywide UAS program is a proactive step that allows Berkeley to thoughtfully assess whether, how, and under what conditions such technology may be used.

### RATIONALE

The development of a citywide Unmanned Aerial Systems (UAS) Use Policy is both a timely and necessary step for ensuring that emerging public safety technologies are evaluated through the lens of transparency, equity, and community oversight.

As the capabilities of drones continue to evolve and their adoption by peer cities increases, Berkeley has the opportunity to proactively shape policy rather than react to technological change. Establishing a thoughtful, community-informed framework ensures that any future deployment of drones—whether by the Police Department, Fire Department, or other City divisions—aligns with Berkeley’s values of racial justice, civil liberties, and environmental responsibility.

Drone technologies can provide clear benefits: faster and safer emergency response, improved situational awareness, enhanced de-escalation, and more efficient allocation of limited personnel.

They can also support climate resiliency and disaster preparedness by enabling real-time damage assessments and safe inspections of inaccessible infrastructure.

However, these tools are not without risk. Improper or unregulated use could lead to violations of privacy, disproportionate surveillance of marginalized communities, disruption to wildlife, or erosion of public trust. A UAS Use Policy must therefore include robust safeguards consistent with the STO: clear delineation of use, accountability mechanisms, transparency in flight activity, and annual reporting on impacts and outcomes.

In authorizing the City Manager to lead this policy development process, the City Council ensures that the exploration of drone programs proceeds deliberatively, inclusively, and under public oversight. Guided by the STO, this referral lays the groundwork for a policy that is not only operationally effective but also democratically legitimate and reflective of the needs and rights of Berkeley residents. Submitting a UAS acquisition report and use policy will support informed, collaborative, and accountable exploration of this technology across departments, and ensure that any deployment aligns with Berkeley's commitment to public trust, environmental stewardship, and racial and social equity.

As outlined in the STO, the use policy, and acquisition report shall include:

- An interdepartmental assessment of potential operational uses by public safety and non-public safety departments;
- Consideration of technical requirements, legal and regulatory frameworks, civil liberties and privacy protections, and equity implications;
- Community engagement and best practices for transparency and accountability.
- Updates on training and data handling procedures.
- A requirement for annual public reports detailing:
  - instances of drone deployment;
  - departmental uses and impacts on operations;
  - community outcomes;
  - compliance audits.

#### FISCAL IMPACTS

Staff time will be required for the coordination and completion of the policy development and reporting framework. Any future proposals for equipment procurement, pilot programs, or department-level deployment would be subject to separate City Council review and approval, including full fiscal analysis at that stage.

The current referral does not refer funding for the procurement or implementation of any UAS or DFR system. It initiates a policy development process, which may be supported by existing department resources and informed by peer city frameworks.

Staff may also explore the availability of state, to support policy infrastructure development related to drone oversight, civil liberties protections, or emergency preparedness

ALTERNATIVES CONSIDERED

The City could defer engagement with drone policy or allow departments to act independently without a unifying framework. However, this risks uncoordinated use, inconsistent standards, and diminished public trust. Proactively developing a citywide policy ensures consistent standards, transparency, and safeguards before any implementation occurs.

CONTACT PERSON

Councilmember Taplin

Council District 2

510-981-7120



BERKELEY CITY COUNCILMEMBER  
**TERRY TAPLÍN**  
 DISTRICT 2

CONSENT CALENDAR

November 18, 2025

**To:** Honorable Mayor Ishii and Members of the City Council

**From:** Councilmember Terry Taplin

**Subject:** Recommendations for the Formulation of Advanced Fiscal Policies to Institutionalize Strategic Bond Issuance, Optimize Municipal Investment Returns, and Leverage Intergovernmental and Philanthropic Capital Funding.

**RECOMMENDATION**

**1. Structured Bond Issuance Framework**

Refer to the City Manager assessment, analysis, and presentation to the Council of a potential comprehensive fiscal policy every two years that institutionalizes, codifies, and makes publicly accessible a regular, predictive schedule for general obligation bond issuance. This potential policy, in addition to and alongside existing practices, may be informed by actuarial and capital market analysis of the City's bonding capacity and be modeled on established frameworks utilized in fiscally disciplined jurisdictions such as San Francisco, Santa Monica, and others. The goal is to remediate the City's substantial deferred maintenance liabilities and strategically advance the Capital Improvement Program (CIP).

**2. Modernize Investment Policy.** Refer to the City Manager the enactment of a detailed review and performance benchmarking of the City's current investment policies, ordinances, and resolutions. Based on this review, the City Manager may consider:

- Amendments to align Berkeley's portfolio management practices with those of peer jurisdictions in the Bay Area;
- Asset strategies that maintain compliance with CA Government Code §53600 et seq. while improving yields through enhanced diversification and duration matching.

**3. Comparative Bond Issuance Analysis and Timeline**

Refer the City Manager to conduct a comprehensive analysis of historical general obligation bond issuance and debt service rates in Berkeley and comparable jurisdictions. The analysis may consider the following:

- Examine 30 years of municipal bond trends, showing the consistency of low interest rates during fiscally disciplined cycles;
- Compare Berkeley's historical borrowing costs with those of San Francisco, Santa Monica, Palo Alto, and other cities;
- Demonstrate the efficacy of maintaining a regular issuance schedule every 6–10 years to preserve low borrowing rates and steady bond ratings;



BERKELEY CITY COUNCILMEMBER  
**TERRY TAPLÍN**  
DISTRICT 2

- Present a 30-year fiscal projection showing that with prudent debt layering and consistent retirement of obligations, Berkeley can issue up to \$250–\$300 million in bonds in successive tranches while maintaining fiscal health and AAA-quality debt service coverage ratios, and examine the impact on deferred infrastructure liabilities.

The City Manager is requested to return with a projected 25–30 year financing timeline that identifies capital milestones, projected issuances, debt service loads, and cost-saving thresholds compared to inflation-driven delays. This timeline shall be paired with policy recommendations to ensure adherence to long-range financial planning objectives.

**POLICY COMMITTEE RECOMMENDATION**

M/S/C (Kesarwani/Blackaby) to send the item to Council with a Qualified Positive Recommendation with the changes as proposed by Councilmember Taplin as follows:

**1. Structured Bond Issuance Framework**

Refer to the City Manager ~~assessment, analysis, and development and~~ presentation to the Council ~~of a potential of a~~ comprehensive fiscal policy every two years that institutionalizes, codifies, and makes publicly accessible, ~~codifies current practices~~, a regular, predictive schedule for general obligation bond issuance. This potential policy, in addition to and alongside existing practices, ~~should~~ may be informed by actuarial and capital market analysis of the City’s bonding capacity and be modeled on established frameworks utilized in fiscally disciplined jurisdictions such as San Francisco, ~~and~~ Santa Monica, ~~and others~~. The goal is to remediate the City’s substantial deferred maintenance liabilities and strategically advance the Capital Improvement Program (CIP).

**2. Modernize Investment Policy. ~~and Establish a Capital Grant Matching Fund~~**

Refer to the City Manager the enactment of a detailed review and performance benchmarking of the City’s current investment policies, ordinances, and resolutions. Based on this review, the City Manager may consider ~~should recommend~~:

- Amendments to align Berkeley’s portfolio management practices with those of peer jurisdictions in the Bay Area;
- Asset strategies that maintain compliance with CA Government Code §53600 et seq. while improving yields through enhanced diversification and duration matching;

~~Establishment of a dedicated Capital Grant Matching Fund, capitalized with a designated portion of net investment returns, to maximize Berkeley’s competitiveness in securing grants under federal programs such as the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and state-funded resilience initiatives.~~

**3. ~~Develop a~~ Comparative Bond Issuance Analysis and Timeline**

Refer the City Manager to conduct a comprehensive analysis of historical general obligation



## BERKELEY CITY COUNCILMEMBER TERRY TAPLÍN DISTRICT 2

bond issuance and debt service rates in Berkeley and comparable jurisdictions. The analysis may consider the following should:

- Examine 30 years of municipal bond trends, showing the consistency of low interest rates during fiscally disciplined cycles;
- Compare Berkeley's historical borrowing costs with those of San Francisco, Santa Monica, ~~and~~ Palo Alto, and other cities;
- Demonstrate the efficacy of maintaining a regular issuance schedule every 6–10 years to preserve low borrowing rates and steady bond ratings;
- Present a 30-year fiscal projection showing that with prudent debt layering and consistent retirement of obligations, Berkeley can issue up to \$250–\$300 million in bonds in successive tranches while maintaining fiscal health and AAA-quality debt service coverage ratios, and examine the impact on deferred infrastructure liabilities.

### CURRENT SITUATION AND ITS EFFECTS

Berkeley faces a growing infrastructure deficit exceeding \$1 billion, driven by long-deferred maintenance, rising construction costs, and insufficient capital funding mechanisms. The City's investment-grade bond ratings (Moody's Aa2; S&P AA) position it favorably to issue debt at competitive rates, yet the absence of a formalized bond issuance framework prevents the City from fully leveraging its credit capacity.

### **Waterfront Capital Liabilities**

Key waterfront and Marina-related projects facing urgent capital needs include:

- Berkeley Pier Replacement: Closed in 2015 due to structural failure. Replacement is estimated at \$50–70 million, with annual cost escalation exceeding 6%.
- Marina Infrastructure Overhaul: Docks, utility lines, lighting, and gangways require comprehensive upgrades. Estimated need: \$15–25 million.
- Shoreline Armoring and Seismic Resilience: Required for adaptation to sea-level rise. Estimated capital: \$20+ million.
- Access and Surface Improvements: ADA-compliant realignments and pavement reconstruction are estimated at \$5–8 million.

The Marina Fund remains fiscally constrained and cannot absorb these capital needs without structural subsidy or external financing.

### **City Facility Repair and Seismic Modernization Needs**

Deferred maintenance and life-safety deficiencies persist across several major civic structures:

- Frances Albrier Community Center: Seismic retrofitting and HVAC modernization estimated at \$15 million.
- Old City Hall: Unoccupied due to seismic risk and systems degradation. Renovation estimated at \$50–60 million.
- Veterans Memorial Building: Structural stabilization and ADA compliance upgrades estimated at \$35–40 million.
- MLK Jr. Civic Center: Systemic repairs for HVAC, elevators, and roofing exceed \$20 million.



The 2018 Citywide Facilities Condition Assessment categorized more than 60% of buildings as in “poor” or “failing” condition, with an annual cost escalation rate estimated at 6–10%. The absence of an integrated financial roadmap has resulted in cost inefficiencies and diminished public confidence. Berkeley's long-standing practice of episodic, reactive capital funding has inhibited the City's capacity to effectively address urgent infrastructure vulnerabilities and to plan for resilience-oriented modernization.

### **BACKGROUND**

Numerous California municipalities—including San Francisco, Oakland, and San José—have successfully implemented coordinated fiscal strategies combining systematic bond issuance with active investment management and capital matching mechanisms. These jurisdictions have improved capital delivery while lowering financing costs and increasing access to competitive grants.

In contrast, Berkeley’s recent experience with public bond measures underscores the need for clearer fiscal governance and improved public engagement:

- Measure T1 (2016): Authorized \$100 million in general obligation bonds. Although initially successful, several project components exceeded their original budgets due to planning and management challenges:
  - Strawberry Creek Park: 40% over budget due to unexpected subsurface conditions and underestimation of permitting costs.
  - Ohlone Park Renovations: Experienced project delays, contractor bid variability, and scope creep, resulting in a 25% cost increase from original estimates.
  - Willard Clubhouse: Required extensive ADA and systems upgrades not captured in initial scoping.
- These overruns stemmed from factors including inflationary pressures in construction markets, insufficient early-stage geotechnical assessments, evolving regulatory requirements, and staffing limitations in project management. Lack of contingency funding and rigid project timelines exacerbated these challenges, eroding community trust and highlighting the need for greater fiscal agility and programmatic transparency in future capital cycles.
- Measure L (2022): A \$650 million bond proposal for infrastructure investment failed to reach the two-thirds voter threshold. Analysts and civic groups—including the Berkeley Budget & Finance Policy Committee, the League of Women Voters of Berkeley, Berkeley Neighborhoods Council, and Berkeleyans for a Livable City—identified the following issues in post-election assessments:
  - Insufficient project prioritization and lack of transparency.
  - Poor public communication of long-term fiscal benefits.
  - Limited accountability frameworks following Measure T1;



BERKELEY CITY COUNCILMEMBER  
**TERRY TAPLÍN**  
 DISTRICT 2

- Inadequate voter outreach and engagement.
- These critiques were substantiated in multiple forums. The Berkeley Budget & Finance Policy Committee published their concerns in meeting minutes from September 2022, highlighting a failure to articulate value to voters and the absence of a multi-year capital financing strategy. The League of Women Voters issued a position paper recommending improved fiscal transparency, while Berkeleyans for a Livable City conducted a comparative policy analysis drawing on best practices from Palo Alto and Emeryville. Collectively, these analyses underscore the need for a holistic fiscal strategy that integrates investment management with proactive capital financing.

### **RATIONALE**

The integration of strategic bond issuance and modernized investment policy is essential to Berkeley's long-term fiscal health. These reforms will:

- Enhance the City's ability to execute capital projects on time and within budget;
- Reduce long-term liabilities and cost escalations associated with deferred maintenance;
- Maximize internal financing capacity and improve competitiveness in external funding rounds.
- Provide predictable financial planning horizons aligned with capital programming.
- Strengthen public confidence through greater transparency and fiscal discipline.

Strategically leveraging investment earnings via a matching grant fund is a forward-looking mechanism that turns financial efficiency into external revenue, magnifying the City's capital resources. This model aligns with both fiduciary best practices and intergovernmental funding paradigms that increasingly prioritize local match capacity.

Furthermore, comparative analysis of historical municipal bond service costs reveals that jurisdictions adhering to a consistent 6–10 year issuance schedule tend to stabilize borrowing costs, maintain high bond ratings, and secure favorable investor confidence. This layered approach to debt issuance and retirement avoids fiscal spikes, allows for transparent cash flow forecasting, and aligns debt service with infrastructure life cycles.

Based on peer practices and Berkeley's current assessed valuation growth, it is fiscally viable to issue a series of general obligation bonds totaling \$250–\$300 million over the next 25–30 years, without breaching responsible debt thresholds. Doing so would allow the City to systematically address its backlog of infrastructure liabilities, minimizing cost escalation due to delays and creating a financially resilient public capital framework.

### **FISCAL IMPACTS OF RECOMMENDATION**

Implementation costs may include consulting and legal services for policy drafting and portfolio reallocation. However, the long-term fiscal benefits include:

- Avoidance of inflation-driven capital cost increases;
- Greater access to grant programs requiring local matches of 20–50%;
- Higher returns on city investments through optimized strategies;
- Lower borrowing costs through well-timed bond issuances;
- Multiplicative gains in external revenue through matching mechanisms.



BERKELEY CITY COUNCILMEMBER  
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DISTRICT 2

**ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS**

Improved access to capital will support environmentally strategic projects including:

- Coastal flood resilience and shoreline restoration;
- Decarbonization of public buildings and fleet electrification;
- Sustainable stormwater management;
- Transit and multimodal infrastructure expansion.

A dedicated matching fund will allow the City to aggressively pursue funding from climate-focused programs such as FEMA’s BRIC, CalEPA Green Infrastructure Grants, and the California Resilience Challenge.

**ALTERNATIVE ACTIONS CONSIDERED**

- Maintain Status Quo: Fails to address growing infrastructure needs and rising costs.
- Ad Hoc Bond Measures: Inefficient, lacks transparency, and depends on unpredictable electoral outcomes.
- New Dedicated Tax Instruments: Politically complex and time-intensive with uncertain outcomes.

**CONTACT PERSON**

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**ATTACHMENTS**

1. [FY 2025–2029 Capital Improvement Program \(CIP\)](#)
2. [City of Berkeley Investment Policy](#)
3. [Berkeley Waterfront Specific Plan \(Draft, November 2024\)](#)
4. [Measure T1 Bond Policies and Procedures Manual](#)
5. [Measure L Bond Measure Information \(November 2022\)](#)
6. [Infrastructure Assessment Report \(2021\)](#)
7. [Budget & Finance Committee Agenda Packet \(April 24, 2025\)](#)

CONSENT CALENDAR

November 18, 2025

To: Honorable Members of the City Council

From: Councilmember Lunaparra (Author), Mayor Ishii (co-sponsor), Vice Mayor Humbert (co-sponsor), Councilmember Blackaby (co-sponsor)

Subject: Sanctuary City Contracting Ordinance Updates

RECOMMENDATION

Adopt the proposed amendments to the Sanctuary City Contracting Ordinance (BMC 13.105) to mirror key definitions with the language in the new Sanctuary City Ordinance and shorten the Right to Cure time period from 90 days to 30 days.

BACKGROUND

The City of Berkeley adopted the Sanctuary City Contracting Ordinance in 2018 to “protect the privacy, safety, dignity, and quality of life of the members of the Berkeley community, especially targeted immigrants and religious minorities” by prohibiting the award of city contracts to “vendors acting as ICE data brokers, or those providing extreme vetting services.” This ordinance has been a vital tool for ensuring that the protected personal information of Berkeley residents and visitors is protected and City of Berkeley resources are used in a manner consistent with Berkeley values and our Sanctuary City policies.

RATIONALE FOR RECOMMENDATION

The current Sanctuary City Contracting Ordinance bars the City of Berkeley from awarding city contracts to “vendors acting as ICE data brokers, or those providing extreme vetting services.” However, in recent months, large swaths of the federal government have been used for immigration enforcement purposes, including the U.S. Department of Homeland Security and its component agencies, U.S. Immigration and Customs Enforcement, U.S. Customs and Border Protection, U.S. Citizenship and Immigration Services, and more<sup>1</sup>.

The Berkeley City Council recently passed, unanimously, the Sanctuary City Ordinance, which, among other things, provides clarity and further definition for several key terms. This item’s proposed amendments to the Sanctuary City Contracting Ordinance, drafted in consultation with the City Attorney’s Office, mirror these definitions from the Sanctuary City Ordinance to ensure congruence within the Berkeley Municipal Code. Notably, this item defines “Immigration Authority” as “any person or agency engaging in efforts to investigate, enforce, or assist in the investigation or enforcement of federal

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<sup>1</sup> <https://www.washingtonpost.com/national-security/2025/10/08/fbi-agents-reassigned-immigration/>

immigration law against natural persons,” not just ICE. This item also mirrors the Sanctuary City Ordinance’s definition of “Protected Personal Information.”

This item also proposes shortening the Right to Cure time period from 90 days to 30 days. In its current form, if the ordinance is alleged to have been violated, a person or entity may institute proceedings for injunctive relief, declaratory relief, or writ of mandate in any court of competent jurisdiction to enforce the Sanctuary City Contracting Ordinance if the alleged violation is not remedied within 90 days after the allegation is first made in writing. This means that, if a City of Berkeley vendor is alleged to be sharing data with immigration authorities, it could take up to three months before corrective action is taken to safeguard the privacy of Berkeley residents, uphold Berkeley values, and enforce local law, risking immeasurable harm. Recognizing this, other municipalities have 30-day Right to Cure time periods for ordinances that protect the privacy of their residents. For example, San Francisco ([Sec. 19B.8.\(c\)](#)) and San Diego ([Sec. 210.0109\(a\)\(1\)](#)) both have 30-day Right to Cure time periods in their respective Surveillance Ordinances. This proposed change to Berkeley’s Sanctuary City Contracting Ordinance would match this timeline, further safeguarding our privacy and our values. To ensure that this remains feasible for City staff, the item tolls the 30-day notice period during City Council recesses, as recommended to the Author by the City Attorney’s Office.

#### CURRENT SITUATION AND ITS EFFECTS

The Sanctuary City Ordinance declares the following:

- The City of Berkeley is home to people of diverse racial, ethnic, and national backgrounds, including a large immigrant population.
- Immigrants are valuable and essential members of the City of Berkeley community.
- A relationship of trust between the City of Berkeley’s immigrant community and the City of Berkeley, its departments, programs, and personnel is central to the public safety of Berkeley residents.
- This trust is threatened when state and local agencies are entangled with federal immigration enforcement, with the result that immigrant community members may fear approaching police when they are victims of or witnesses to crimes, or may fear seeking basic health services or attending school, to the detriment of public safety and the wellbeing of all Berkeley residents.
- Entangling state and local agencies with federal immigration enforcement programs diverts already limited resources and blurs the lines of accountability between local, state, and federal governments.
- Multiple studies have proven that jurisdictions that do not assist in immigration enforcement are safer and economically more prosperous compared to other jurisdictions – including a 2017 report by the Center for American Progress that shows on average there are 35.5 fewer crimes committed per 10,000 people in sanctuary jurisdictions, the average annual income is \$4,353 higher, the poverty rate is 2.3% lower, and unemployment is 1.1% lower.

By ensuring that all of our Sanctuary City policies are aligned, we can ensure they are as effective as possible at defending Berkeley's values and protecting our residents' rights to due process.

FISCAL IMPACTS OF RECOMMENDATION

No anticipated impacts.

ENVIRONMENTAL SUSTAINABILITY

No anticipated impacts.

Attachments:

1. Amended Ordinance

CONTACT PERSON

Councilmember Cecilia Lunaparra, 510-981-7170

Jonah Gottlieb, Chief of Staff

## **Chapter 13.105**

# **SANCTUARY CITY CONTRACTING\***

Sections:

**13.105.010 Title.**

**13.105.020 Definitions.**

**13.105.030 Prohibition on Use of City Resources.**

**13.105.040 Investigation and Reporting.**

**13.105.050 Enforcement.**

**13.105.060 Severability.**

**13.105.070 Construction.**

**13.105.080 Chapter Supersedes Existing Law and Regulations.**

**13.105.090 Effective Date.**

\* Ordinance No. [7650-N.S](#) adds the provisions of this chapter as Chapter [13.104](#). It has been editorially renumbered to account for the preexisting Chapter [13.104](#).

### **13.105.010 Title.**

This ordinance shall be known as the Sanctuary City Contracting Ordinance. (Ord. 7650-NS § 1 (part), 2019)

### **13.105.020 Definitions.**

- A. "City" means the City of Berkeley, California.
- B. "Data Broker" (also commonly called information broker, information reseller, data aggregator, and information solution provider) means either of the following:
  - 1. The collection of information, including **P**rotected **P**ersonal **I**nformation about consumers, from a wide variety of sources for the purposes of reselling such information to their customers, which include both private-sector businesses and government agencies;
  - 2. The aggregation of data that was collected for another purpose from that for which it is ultimately used.

- C. "Extreme Vetting" means data-mining, threat modeling, predictive risk analysis, or other similar services. Extreme Vetting ~~Does~~does not include the following:
1. The City's computer-network health and performance tools;
  2. Cybersecurity capabilities, technologies and systems used by the City of Berkeley Department of Information Technology to predict, monitor for, prevent, and protect technology infrastructure and systems owned and operated by the City of Berkeley from potential cybersecurity events and cyber-forensic based investigations and prosecutions of illegal computer based activity.
- D. ~~"ICE" means the United States Immigration and Customs Enforcement, and any subdivision thereof.~~ Immigration Authority" means any person or agency engaging in efforts to investigate, enforce, or assist in the investigation or enforcement of federal immigration law against natural persons, including but not limited to the U.S. Department of Homeland Security or its component agencies, U.S. Immigration and Customs Enforcement, U.S. Customs and Border Protection, or U.S. Citizenship and Immigration Services.
- E. "Person or Entity" means any private natural person, corporation, institution, subsidiary, affiliate, or division under operating control of such person; the parent entities that have operating control over such person, and the subsidiaries, affiliates and divisions under operating control of such parent entity. Government entities and employees are expressly excluded from this definition. (Ord. 7650-NS § 1 (part), 2019)
- F. "Protected Personal Information" means any information that identifies, relates to, describes, or is capable of being associated with a particular individual, including but not limited to a person's name, birthdate, Social Security Number or Individual Taxpayer Identification Number, telephone number, home or work address, driver's license number, place of birth, or biometric information.

### **13.105.030 Prohibition on Use of City Resources.**

- A. No officer, employee, department, board, commission, City Council, City Manager, or other entity of the City shall enter into a new, amended, or extended contract or agreement with any Person or Entity that provides ~~ICE~~ an Immigration Authority with any "Data Broker" or "Extreme Vetting" services as defined herein, unless a waiver is granted based on a specific determination that no reasonable alternative exists, taking into consideration the following:
1. The intent and purpose of this ordinance;
  2. The availability of alternative services, goods and equipment; and
  3. Quantifiable additional costs resulting from use of available alternatives.

The following processes shall be followed in considering a waiver: The City Manager or designee shall file a waiver request. The Council shall make the final decision on granting the waiver.

- B. All public works, construction bids, requests for information, requests for proposals or any other solicitation issued by the City shall include notice of the prohibition listed above.
- C. For the purpose of determining which Person or Entity provides **ICE an Immigration Authority** with Data Broker or Extreme Vetting services, the City Manager shall rely on:
  - 1. Information available on federal contracting websites, or in the absence of those, another common source of federal data;
  - 2. A declaration under the penalty of perjury executed by the Person or Entity, affirming that they do not provide Data Broker or Extreme Vetting services to ICE an Immigration Authority.
- D. Any Person or Entity identified as a supplier of Data Broker or Extreme Vetting services to **ICE an Immigration Authority** and potentially affected by this Section shall be notified by the City Manager of the determination. Any such Person or Entity shall be entitled to a review of the determination by appeal to the City Manager. Request for such review shall be made within thirty (30) business days of notification, or seven (7) business days of the date of a City solicitation or notice of a pending contract or purchase, of interest to the Person or Entity seeking review. Any Person or Entity vendor so identified may appeal the City Manager's determination to the City Council, within fifteen (15) business days of the determination. (Ord. 7650-NS § 1 (part), 2019)

### **13.105.040 Investigation and Reporting.**

- A. The City Manager, or their designee, shall review compliance with Section [13.105.030](#). The City Manager may initiate and shall receive complaints regarding violations of Section [13.105.030](#). All officers, employees, departments, boards, commissions, and other entities of the City shall cooperate with the City Manager in any investigation of a violation of Section [13.105.030](#).
- B. By November 1 of each year, the City Manager shall schedule and submit to the City Council a written, public report regarding compliance with Section [13.105.030](#) over the previous year. At minimum, this report must (1) detail with specificity the steps taken to ensure compliance with Section [13.105.030](#), (2) disclose any issues with compliance, including any violations or potential violations of this Ordinance, and (3) detail actions taken to cure any deficiencies with compliance. (Ord. 7650-NS § 1 (part), 2019)

### **13.105.050 Enforcement.**

- A. *Right to Cure.* This Chapter does not provide a private right of action upon any person or entity to seek injunctive relief against the City or any employee unless that person or entity has first provided written notice to the City Manager by serving the City Clerk, regarding the specific alleged violations of this Chapter. If the alleged

violation is substantiated and subsequently cured, a notice shall be posted in a conspicuous manner on the City's website that describes, to the extent permissible by law, the corrective measures taken to address the violation.

- B. *Cause of Action.* If a specific alleged violation is not remedied within ~~30~~ 90 days of that written notice, a person or entity may institute proceedings for injunctive relief, declaratory relief, or writ of mandate in any court of competent jurisdiction to enforce this Ordinance; provided, however, that if the City receives notice of a potential violation pursuant to section 12.105.050(A) while the City Council is on recess, the 30-day period shall be tolled during the pendency of the recess.
- C. *Civil Penalties.* If the City is found liable in a cause of action brought by an individual under subsection B. above for a violation that is the result of arbitrary or capricious action by the City or an employee or agent thereof in their official capacity, the City shall be liable for a civil penalty no greater than \$5,000 per violation, as determined by the court. In determining the amount of civil penalty, the court shall consider prior violations of this ordinance by the City department that committed the violation.
- D. *Attorney's Fees and Costs.* A court shall award a plaintiff who prevails on a cause of action under subsection B. reasonable attorney's fees and costs in an amount not to exceed \$15,000.
- E. *Limitations on Actions.* Any person bringing an action pursuant to this ordinance must first file a claim with the City pursuant to Government Code [section 905](#) or any successor statute within four years of the alleged violation.
- F. Any contracting Person or Entity knowingly or willingly supplying false information in violation of Section 13.105.030C.2., shall be guilty of a misdemeanor and up to a \$1,000 fine. (Ord. 7650-NS § 1 (part), 2019)

### **13.105.060 Severability.**

The provisions in this Ordinance are severable. If any part or provision of this Ordinance, or the application of this Ordinance to any person or circumstance, is held invalid, the remainder of this Ordinance, including the application of such part or provisions to other persons or circumstances, shall not be affected by such holding and shall continue to have force and effect. (Ord. 7650-NS § 1 (part), 2019)

### **13.105.070 Construction.**

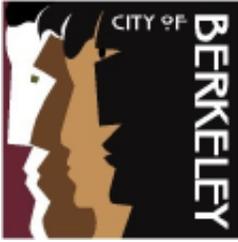
The provisions of this Ordinance are to be construed broadly to effectuate the purposes of this Ordinance. (Ord. 7650-NS § 1 (part), 2019)

### **13.105.080 Chapter Supersedes Existing Law and Regulations.**

The provisions of this chapter shall supersede any conflicting law or regulations. (Ord. 7650-NS § 1 (part), 2019)

**13.105.090 Effective Date.**

This Ordinance shall take effect on July 1, 2019. (Ord. 7650-NS § 1 (part), 2019)



**Berkeley City Councilmember, Mark Humbert, District 8**

mhumbert@cityofberkeley.info

**Berkeley Mayor, Adena Ishii**

**Berkeley City Councilmember, Rashi Kesarwani, District 1**

**Berkeley City Councilmember, Cecilia Lunaparra, District 7**

2180 Milvia Street, 5th Floor

Berkeley, CA 94704

CONSENT CALENDAR

November 18, 2025

To: Members of the Berkeley City Council

From: Councilmember Mark Humbert (Author), Mayor Adena Ishii (Co-Author), Councilmember Rashi Kesarwani (Co-Author), Councilmember Cecilia Lunaparra (Co-Author)

Subject: Pausing City of Berkeley authorization for Mills Act Agreements

RECOMMENDATION

Adopt a Resolution pausing the City of Berkeley's authorization to use Mills Act Agreements for historic property preservation, deferring or denying all pending applications as of November 19, 2025, and allowing existing contracts to expire without renewal unless the City Council takes future action to reauthorize the program.

FINANCIAL IMPLICATIONS

Mills Act contracts reduce City property tax revenues by providing tax relief to participating property owners. At a time when Berkeley faces significant short-term budget shortfalls and long-term structural deficits, pausing the program will prevent further erosion of the property tax base and allow existing contracts to expire naturally over their remaining terms, gradually restoring full property tax revenues to the City. Passing this item would also reduce staff time associated with the preparation and execution of Mills Act Agreements. This item would therefore incur no increased costs for the City and may, to a degree, improve the City's financial circumstances.

BACKGROUND

The Mills Act (California Government Code §50280 et seq.) was introduced in response to the potential demolition of the historic Hotel Del Coronado in southern California.<sup>1</sup> This State law authorizes, but does not require, cities to enter into contracts with owners of qualified historical properties to provide property tax reductions in exchange for commitments to maintain and restore the properties' historical characteristics. The Berkeley City Council authorized participation in the Mills Act program through Resolution No. 59,355-N.S. on February 24, 1998, enabling property owners to apply

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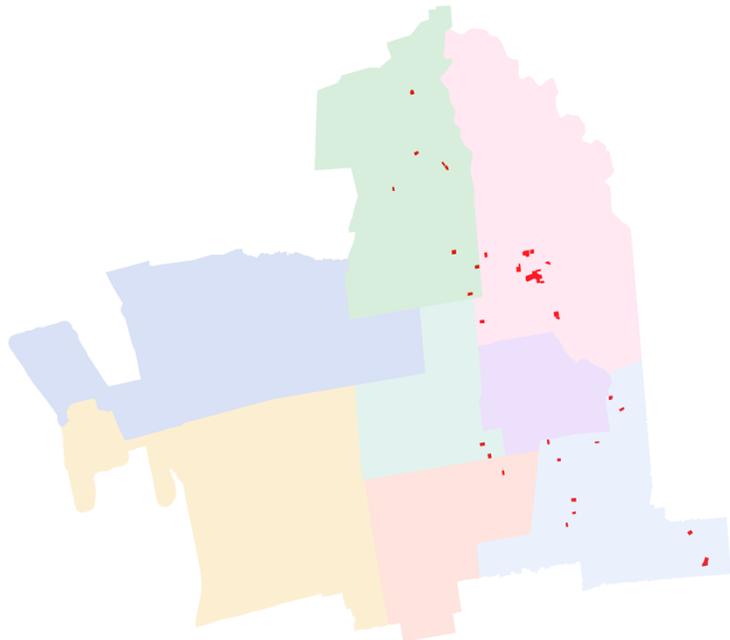
<sup>1</sup> Los Altos History Museum, *Historic Properties and the Mills Act Subject of History Museum Program*, <https://www.losaltoshistory.org/2021/04/historic-properties-and-the-mills-act-subject-of-history-museum-program/>, Accessed on October 9, 2025.

for these agreements. That original resolution included provisions empowering the City Manager to defer new and pending Mills Act contracts during times of fiscal distress.

CURRENT SITUATION AND ITS EFFECTS

As authorized by the City Council in 1998, the City currently administers multiple Mills Act Agreements. However, it is unclear whether that property tax relief is effectively promoting historic preservation that would not otherwise occur.

Berkeley's high home values and land values, combined with existing demolition prohibitions for designated landmarks, raise questions about whether the tax incentive is necessary to achieve preservation goals and whether the tax incentive is successful in achieving our preservation goals by supporting resource-limited property owners. Furthermore, available data indicate that the majority of Mills Act agreements are concentrated in high-resource areas of Berkeley.<sup>2</sup>



The City does not currently maintain a formal, publicly-accessible database or list of Mills Act agreements in Berkeley. Thankfully, citizen data sleuths have investigated this issue and created informal lists of such agreements, subject properties, estimated tax revenue losses, and what if any permits have been pulled for work on these properties. And the Landmarks Preservation Commission has also been investigating the cost/benefit balance of maintaining Mills Act Agreements.

These citizen-collected data indicate that the City currently has 47 Mills Act Agreements with a total net cost to the City of approximately \$600,000 annually. Moreover, in many cases, it is unclear at best whether these tax breaks have resulted in work essential to historic preservation. In many cases, the permits pulled for subject properties appear unrelated to the preservation of historic elements and instead include items such as furnace replacement, solar panel installation, and interior remodels. In some cases,

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<sup>2</sup> Jeffrey Baker, *Berkeley Mills Act Parcels*, <https://observablehq.com/@jwb/berkeley-mills-act-parcels>, Accessed on October 9, 2025.

properties have received a tax benefit but appear not to have undergone any maintenance that required a City permit.<sup>3</sup>

### RATIONALE FOR RECOMMENDATION

Pausing the Mills Act program is warranted for several reasons:

- Berkeley has already codified prohibitions on the demolition of designated City landmarks, providing a regulatory backstop for historic preservation without requiring tax subsidies.
- The City's high property values generally ensure that only those with the means to maintain historic properties can purchase them, reducing the need for financial incentives.
- The concentration of Mills Act contracts in high-resource areas raises equity concerns about the distribution of tax benefits.
- Given Berkeley's severe budget challenges, the ongoing revenue loss from Mills Act contracts exacerbates fiscal deficits. And the original 1998 resolution anticipated such circumstances by authorizing deferral during fiscal distress, making this action consistent with the program's original framework.

### ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Historic preservation can, in some cases, support environmental sustainability by promoting the reuse and maintenance of existing building stock rather than demolition and new construction, which typically involves significant embodied carbon and resource consumption—although these environmental benefits may be outweighed through improved energy efficiency, removal of hazardous materials (e.g., lead paint), and increased housing in areas with jobs and transit access.

Nevertheless, this resolution does not eliminate Berkeley's historic preservation protections, as demolition prohibitions for designated landmarks remain. The pause of Mills Act Agreements addresses the financial mechanism for incentivizing preservation rather than the underlying preservation requirements themselves, and therefore would not significantly impact the City's environmental sustainability or climate goals.

### POSSIBLE FUTURE ACTION

The City Council may choose to reauthorize the Mills Act program in the future if fiscal conditions improve or if the program can be restructured to better serve the City's goals. Potential modifications could include enhanced monitoring and accountability measures, income-based eligibility requirements to improve equity, concentration on properties

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<sup>3</sup> Jeffrey Baker, *Berkeley Mills Act Contracts*, [https://docs.google.com/spreadsheets/d/14OpRkSEjTsBovxD9Rb6eP0kOhUrFPCJ2\\_HEHI2xsSA0/edit?gid=0#gid=0](https://docs.google.com/spreadsheets/d/14OpRkSEjTsBovxD9Rb6eP0kOhUrFPCJ2_HEHI2xsSA0/edit?gid=0#gid=0), Accessed on October 9, 2025.

facing genuine preservation threats, or limitations on the number or geographic distribution of contracts. The Council could also consider establishing performance metrics and requiring detailed preservation plans before approving future agreements. Any reauthorization would require Council action through a subsequent resolution.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

If the City Council chooses to reauthorize the Mills Act program in the future, there would be renewed fiscal impacts in the form of reduced property tax revenues from newly executed contracts. The magnitude of impact would depend on the number, assessed value, and tax reduction percentage of approved agreements. A restructured program with tighter eligibility criteria or caps on total contracts could limit fiscal exposure. Conversely, maintaining the current pause would allow property tax revenues to gradually return to full assessment levels as existing contracts expire, improving the City's long-term fiscal position. Any future reauthorization should include a fiscal analysis estimating the revenue impact based on the proposed program specifics.

CONTACT PERSON

Councilmember Mark Humbert — mhumbert@berkeleyca.gov, 510-981-7180

Attachments

1. *February 24, 1998 Resolution no. 59,355- N.S. Authorizing the use of Mills Act agreements for historic property preservation*
2. *Table showing citizen-created list of City of Berkeley Mills Act Agreements and associated information/cost estimates. (Provided courtesy of Jeffrey Baker and City of Berkeley Landmarks Commissioner Paul Schwartz)*

RESOLUTION NO. ##,###-N.S.

PAUSING CITY OF BERKELEY AUTHORIZATION FOR MILLS ACT AGREEMENTS

WHEREAS, California Government Code Sections 50280 et seq. (commonly known as the Mills Act) authorizes, but does not require cities to enter into contracts with the owners of qualified historical property to provide for such property's use, maintenance, and restoration as to retain its characteristics as property of historical significance; and

WHEREAS, the Council of the City of Berkeley authorized the use of Mills Act Agreements for historic property preservation in Resolution No. 59,355- N.S. on February 24, 1998; and

WHEREAS, the Mills Act was originally introduced in response to the potential demolition of the historic Hotel Del Coronado in southern California; and

WHEREAS, the City of Berkeley already has codified prohibitions on the demolition of designated City of Berkeley landmarks; and

WHEREAS, Berkeley home prices and land values generally preclude those who cannot afford to maintain historic properties from purchasing them; and

WHEREAS, the majority of Mills Act contracts in Berkeley are for parcels in high-resource areas of the city; and

WHEREAS, the City of Berkeley faces significant short-term budget shortfalls and long-term, structural budget deficits; and

WHEREAS, Mills Act contracts reduce City property tax revenues, thereby exacerbating budget shortfalls; and

WHEREAS, this directive is consistent with provisions of the original February 24, 1998 Mills Act enabling resolution NO. 59,355- N.S. from the Berkeley City Council, which empowered the City Manager to defer new and pending Mills Act contracts during times of fiscal distress.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley revokes authorization of the use of the agreements for historic property preservation as specified in California Government Code Sections 502008, et seq., for qualified historical properties as of November 19, 2025.

BE IT FURTHER RESOLVED, that all pending applications as of the effective date hereof (November 19, 2025) shall be deferred or denied unless and until the City Council takes further action to reauthorize the use of the agreements for historic property preservation as specified in California Government Code Sections 502008, et seq., for qualified historical properties.

BE IT FURTHER RESOLVED, that any existing Mills Act Contracts shall be allowed to expire at the end of their contract terms and shall not be considered for renewal unless and until the City Council takes further action to reauthorize the use of the agreements for historic property

preservation as specified in California Government Code Sections 502008, et seq., for qualified historical properties.

BE IT FURTHER RESOLVED, that City staff are directed to update the City website to indicate that Mills Act Agreement applications are no longer being accepted and to remove application forms and materials.



BERKELEY CITY AUDITOR



INFORMATION CALENDAR

November 18, 2025

To: Honorable Mayor and Members of the City Council

From: Jenny Wong, City Auditor *zw*

Subject: 2025 Audit Follow-up Status Update

INTRODUCTION

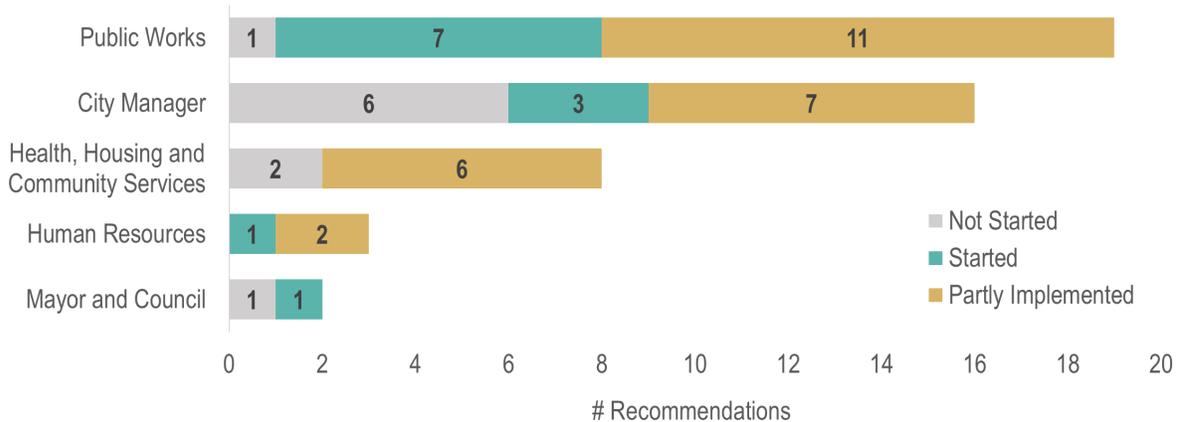
This item provides a status update on the audit follow-up of all recommendations since our last report on December 19, 2024. Administrative regulations require the City Auditor to monitor the status of outstanding audit recommendations and periodically report to City Council.

CURRENT SITUATION AND ITS EFFECTS

We follow up on audits to assess whether city departments implemented the audit recommendations. The Auditor’s Office issues annual follow-up audit reports to City Council on the status of our recommendations.

As of October 28, 2025, there are currently 48 open recommendations across 4 departments as well as the Mayor and City Council. We additionally marked 23 outstanding audit recommendations as implemented this cycle. Departments have implemented 45 of the 94 (48 percent) audit recommendations released since 2020.<sup>1</sup> Compared to the last follow-up period’s implementation rate of 37 percent, the rate has increased by 11 percentage points.

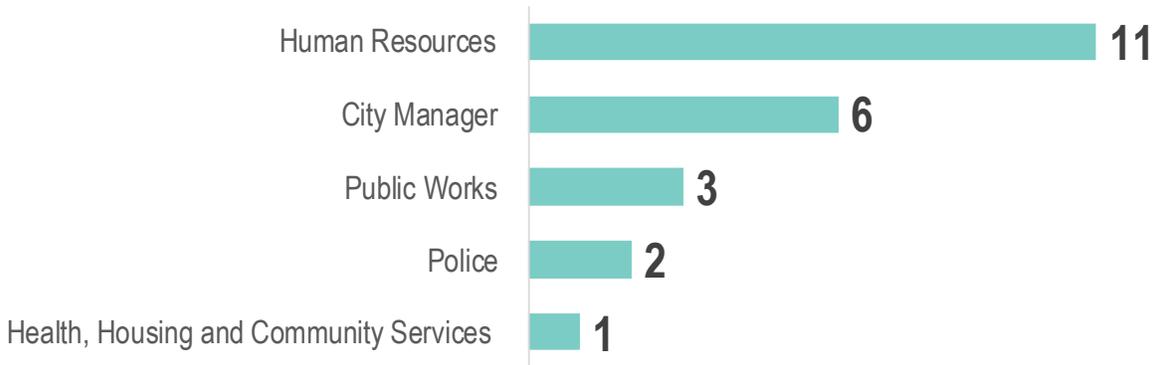
Figure 1. There are currently 48 open recommendations across 4 departments as well as the Mayor and City Council.



Source: Auditor’s analysis

<sup>1</sup> The [2019 domestic violence policy audit](#) is still open past the five-year mark to allow soon-to-be-implemented recommendations to be finalized. In this period, departments dropped 1 audit recommendation.

Figure 2. Departments have implemented 23 outstanding audit recommendations in this cycle.



Note: This reporting period covers November 7, 2024 through September 24, 2025.

Source: Auditor’s Analysis

During this audit follow-up cycle of November 7, 2024 to September 24, 2025, we closed 3 out of 10 audits that were still open at the beginning of the period. Audits are closed when all recommendations are implemented, or if they are older than five years. After five years, recommendations that are not implemented are marked as “dropped” on the online dashboard. This cycle, we closed the 2022 police overtime audit<sup>2</sup> and the 2020 streets audit<sup>3</sup> after the Police Department and Public Works successfully implemented all remaining recommendations for each audit. We also closed the 2020 Berkeley Public Library audit<sup>4</sup> after all recommendations were implemented except for one. We dropped the final recommendation because it passed the five-year mark.

In this reporting period, Public Works provided their first update on our office’s follow-up report on the 2009 audit of City leases,<sup>5</sup> which was released in January of this year. Since January, Public Works has started work on most of our recommendations. They now have a staff member filling the role of Real Property Administrator who is working with an interdepartmental team on a property management plan and leading the development of a complete central inventory of leases and licenses.

The City Manager’s Office and Human Resources have made significant progress on the 2023 staff shortages audit.<sup>6</sup> In this period, the City Manager and Human Resources have each implemented 6 audit recommendations from this audit— bringing the overall number of implemented recommendations from 3 to 15 (out of 25 total). For example, HR launched a comprehensive training program for staff at all levels through NEOGOV Learn. This training program includes the Supervisor Learning Plan, a hybrid experience for supervisors and

<sup>2</sup> [Berkeley Police: Improvements Needed to Manage Overtime and Security Work for Outside Entities](#)

<sup>3</sup> [Rocky Road: Berkeley Streets at Risk and Significantly Underfunded](#)

<sup>4</sup> [Berkeley Public Library Uses Tax Funds by the Book, But More Internal Controls Needed](#)

<sup>5</sup> [2009 Leases Audit Follow-Up: Berkeley Faces the Same Risks 16 Years Later](#)

<sup>6</sup> [Staff Shortages: City Services Constrained by Staff Retention Challenges and Delayed Hiring](#)

managers to learn how to be effective leaders in the City and support the overall City workforce. Another accomplishment includes city management's enhanced communication strategy, including department open houses, a weekly wrap-up email to all staff, online town halls, and annual manager meetings, to improve employee engagement.

Human Resources has also made strides on the 2019 domestic violence policy audit<sup>7</sup> and implemented 5 out of 6 total recommendations in this period alone. For example, HR recently launched the updated Administrative Regulation 2.21 titled "Leave Policy for Absence Related to Acts of Violence." The new policy incorporates model policy elements and includes comprehensive guidance for employees experiencing acts of violence.

The Health, Housing and Community Services' (HHCS) Environmental Health Division demonstrated progress on most recommendations from the 2024 restaurant inspections audit.<sup>8</sup> According to the Division, all high and very high risk facilities that were not inspected in 2023 have now been inspected, and they have established a baseline inspection target of at least one inspection per year per facility. However, the Division reversed their progress on one recommendation after removing information about food inspections that was previously provided on the City's Open Data Portal. The Division is reportedly transitioning to an upgraded database system and plans to enable public access to food facility inspection results, but the timeline for implementation is unclear.

### BACKGROUND

The City Auditor's Office has a mission to promote transparency and accountability in Berkeley government. We conduct independent performance audits to evaluate city operations and programs and make recommendations to improve operations and services and ensure productive use of taxpayer funds. We focus on equitable, efficient, and effective use of city resources to achieve goals and objectives.

Following up on audit recommendations is an important part of the audit process that helps hold departments accountable for implementing agreed-upon audit recommendations. To further that goal, our office launched an online dashboard to track the status of outstanding audit recommendations in September 2022. Additional up-to-date information on each audit recommendation is available on our [online dashboard](#) on [our website](#).

While we understand that some departments face staffing challenges that make it difficult to prioritize audit recommendations, not implementing the recommendations can mean that the City is not addressing the risks identified in audits or making needed improvements to operations or services.

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<sup>7</sup> [Domestic Violence Response: Berkeley Needs a Comprehensive Policy to Support City Employees](#)

<sup>8</sup> [Berkeley Restaurant Inspections: Chronically Understaffed Program Did Not Meet Targets](#)

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

While there may be environmental impacts associated with some audit recommendations, there are no identifiable environmental effects or opportunities associated with the audit follow-up process.

CONTACT PERSON

Jenny Wong, City Auditor, (510) 981-6750

Attachment:

1: Recommendations Follow Up Report 2025

# Annual Audit Recommendation Follow-Up Report

Status Update

**October 28, 2025**



BERKELEY CITY AUDITOR



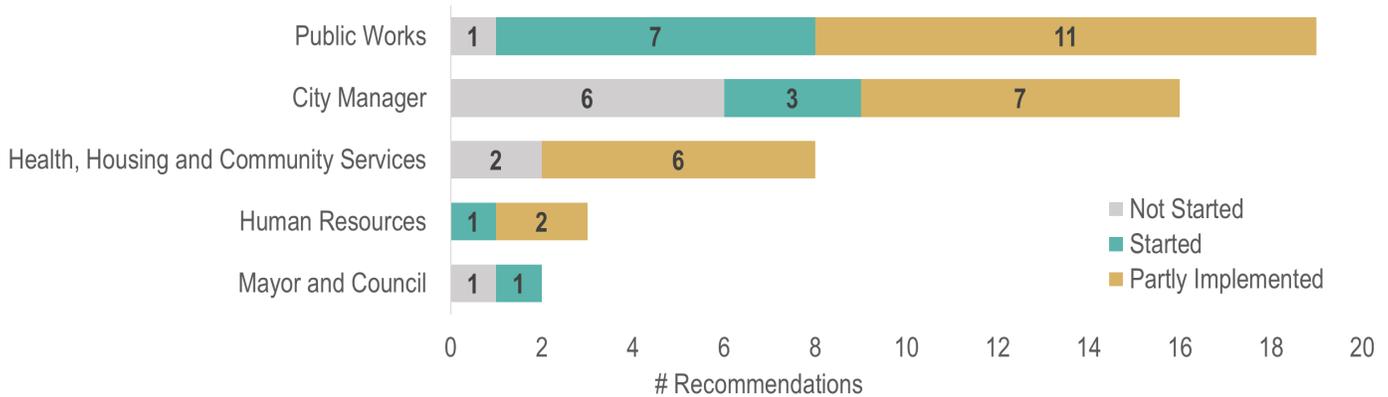
## Background

The mission of the Berkeley City Auditor is to promote transparency and accountability. Each audit report we issue includes recommendations for how the audited department can serve Berkeley residents more equitably, efficiently, and effectively. Following up on audit recommendations helps hold departments accountable for implementing the improvements they agreed to. Additional up-to-date information on each audit recommendation is available on our [online dashboard](#) on [our website](#).

## Implementation Status of Recommendations

In our last audit follow-up report on December 19, 2024, there were 58 open recommendations. Since then, we have issued one performance audit which added six new recommendations and a follow-up report which re-opened eight recommendations from the 2009 Leases Audit.

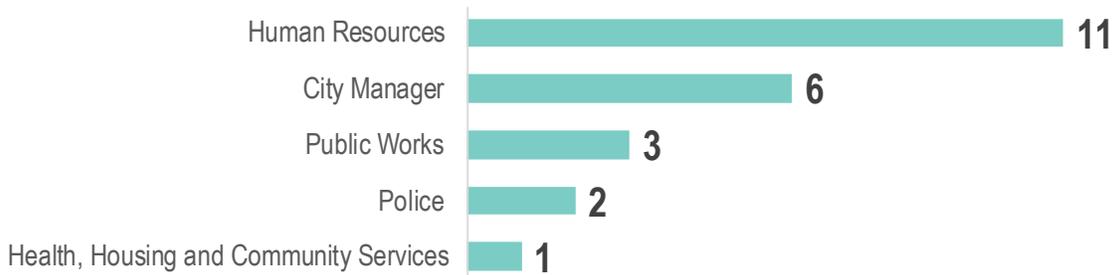
**Figure 1. There are currently 48 open audit recommendations across 4 departments as well as the Mayor and City Council.**



Source: Auditor’s Analysis

Management has continued to make progress towards implementing open audit recommendations across 10 audits. During this reporting period, management has implemented 23 of the outstanding recommendations. However, the Berkeley Public Library dropped one partly implemented recommendation because it passed the five-year mark. This recommendation was the final outstanding recommendation from the 2020 Berkeley Public Library audit, so our office formally closed this audit.

**Figure 2. Departments implemented 23 recommendations during this reporting period.**



Note: This reporting period covers November 7, 2024 through September 24, 2025.

Source: Auditor’s Analysis

We use the following statuses to report on the implementation of audit recommendations:

|                              |                                                                                                                                                                                                                                                                                                    |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Implemented</b>           | Auditee has completely implemented the recommendations.                                                                                                                                                                                                                                            |
| <b>Partially Implemented</b> | Auditee has implemented 50 percent or more of the recommendation.                                                                                                                                                                                                                                  |
| <b>Started</b>               | Auditee has started to address the recommendation but has not reached the 50 percent threshold.                                                                                                                                                                                                    |
| <b>Not Started</b>           | Auditee has not yet taken action to implement the recommendation.                                                                                                                                                                                                                                  |
| <b>Dropped</b>               | Auditee has accepted the risk to the city that the recommendation is meant to address and is unable or unwilling to implement the recommendation. Additionally, all open recommendations will be reported as dropped if they are not implemented within five years of audit issuance. <sup>1</sup> |

**Table 1. Status of Recommendations by Audit**

| Audit                                                                                                | Department                                          | Issued Date | Implemented | Partially Implemented | Started | Not Started | Dropped | Total |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------|-------------|-----------------------|---------|-------------|---------|-------|
| Homeless Response Team: Opportunities Exist to Strengthen Procedures and Better Track Outcomes       | City Manager                                        | 7/16/2025   | 0           | 0                     | 0       | 6           | 0       | 6     |
| 2009 Leases Audit Follow-Up: Berkeley Faces the Same Risks 16 Years Later                            | City Manager, Finance, Public Works                 | 1/24/2025   | 0           | 0                     | 7       | 1           | 0       | 8     |
| Berkeley Restaurant Inspections: Chronically Understaffed Program Did Not Meet Targets               | Health, Housing and Community Services              | 7/10/2024   | 1           | 6                     | 0       | 2           | 0       | 9     |
| Staff Shortages: City Services Constrained by Staff Retention Challenges and Delayed Hiring          | City Manager, Human Resources, Mayor and Council    | 6/22/2023   | 15          | 5                     | 4       | 1           | 0       | 25    |
| Berkeley's Financial Condition FY 2012-FY2021: Pension Liabilities and Infrastructure Need Attention | City Manager (Budget Office), Finance, Public Works | 5/5/2022    | 1           | 3                     | 1       | 0           | 0       | 5     |
| Berkeley Police: Improvements Needed to Manage Overtime and Security Work for Outside Entities       | Police                                              | 3/3/2022    | 12          | 0                     | 0       | 0           | 0       | 12    |
| Fleet Replacement Fund Short Millions                                                                | Public Works                                        | 6/2/2021    | 1           | 11                    | 0       | 0           | 0       | 12    |
| Rocky Road: Berkeley Streets at Risk and Significantly Underfunded                                   | Public Works                                        | 11/19/2020  | 5           | 0                     | 0       | 0           | 0       | 5     |
| Berkeley Public Library Uses Tax Funds by the Book, But More Internal Controls Needed                | Library                                             | 8/27/2020   | 5           | 0                     | 0       | 0           | 1       | 6     |
| Domestic Violence Response: Berkeley Needs a Comprehensive Policy to Support City Employees          | Human Resources                                     | 10/10/2019  | 5           | 1                     | 0       | 0           | 0       | 6     |

<sup>1</sup> The [2019 domestic violence policy audit](#) is still open past the five-year mark to allow soon-to-be-implemented recommendations to be finalized.

**Mission Statement**

Promoting transparency and accountability in Berkeley government.

**City Auditor**

Jenny Wong

**Performance Audit Team**

Caitlin Palmer, Audit Manager

Erin Mullin, Audit Manger

Pauline Miller, Auditor II

Kendle Kuechle, Auditor II

Katie Wysong, Auditor I

Manami Suenaga, Auditor I

**Office of the City Auditor**

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Cover photograph provided by the City of Berkeley



BERKELEY CITY AUDITOR



**To:** Honorable Mayor and Members of the City Council

**From:** Jenny Wong, City Auditor *JW*

**Subject:** Independent Third-Party Audit of the Payroll Audit Division

INTRODUCTION

We present a performance audit of our Payroll Audit Division's operations. The government auditing standards we adhere to require that we assess all potential threats to our independence at the beginning of an audit and design appropriate safeguards. Placement of the Payroll Audit Division within our office means that we can't audit payroll activities in accordance with audit standards because of an appearance of lack of independence. To safeguard our independence as we have done in prior years, we contracted with independent third-party auditor GPP Analytics to conduct this audit.

CURRENT SITUATION AND ITS EFFECTS

Overall, GPP found that the Payroll Audit's procedures ensured City employees received accurate pay and benefits in the sample data they tested. GPP also found that Payroll Audit's staff and management demonstrated a detailed command of critical payroll elements within their complex operating environment. They correctly applied various payroll, labor, and statutory rules, ensuring high-risk components of each payroll are handled accurately despite system constraints. GPP also noted that Payroll Audit works proactively to ensure timely, accurate processing of payroll.

GPP cited some areas of concern related to Payroll Audit's payroll manual that became outdated when the City implemented its new financial system (ERMA). Payroll Audit initially waited to update the manual to have time to learn the complex new system and include information about it in the manual. Once ERMA was implemented, payroll errors from department payroll clerks increased from an average of 6.7 percent to 94.5 percent. This significantly increased Payroll Audit's workload to correct the errors, limiting the resources they could dedicate to updating the manual while also needing to ensure accurate biweekly payroll. GPP also found that manual transcription and prefilled timecards introduced inefficiencies and risk of error, and identified data security risks that the City needs to address. However, GPP did not find any material errors that weren't previously identified and corrected by the Payroll Audit Division.

As GPP observed, an important consideration for implementing the recommendations is that Payroll Audit functions within a broader system of rules and regulations, but does not have authority to interpret or change them. Payroll Audit's role is limited to applying employee pay rules as interpreted by Human Resources and city management. The payroll process also requires technology systems that involve collaboration with Information Technology.

With those considerations in mind, GPP made seven recommendations to our office to consider for strengthening controls and mitigating risks surrounding the payroll process, including the following:

- Work with the City Manager's Office, Human Resources, Information Technology, and stakeholder departments to develop and maintain a single Citywide Payroll Policy and Procedure Manual.
- Request that the City Manager's Office and the Information Technology Department re-prioritize the implementation of an electronic timekeeping system.
- Work with the City Manager's Office and the Information Technology Department to ensure that if an electronic timekeeping system is implemented, it prohibits departments from using prefilled timecards within the system.

#### BACKGROUND

The City of Berkeley's Payroll Audit Division organizationally sits within the City Auditor's Office. While the Payroll Audit Division is one of the smaller divisions in terms of staff, it has one of the largest jobs: processing biweekly payroll for the approximately 1,800 individuals employed by the City. In fiscal year 2025, personnel costs represented approximately 65 percent of the City's General Fund budget, and the Payroll Audit Division processed approximately 46,800 checks and direct deposits.

We periodically initiate independent third-party audits of the Division's internal controls to ensure there are sufficient safeguards against fraud, waste, and abuse, and to ensure pay is accurate and complies with policies and regulations. The timing of this audit was strategic due to the anticipated retirements of several Payroll Audit staff. The Division has also experienced significant changes in operations with the implementation of the City's new financial and payroll system ERMA. This was an opportune time to identify areas for improvement to ensure that Payroll Audit has the controls in place to consistently produce accurate, timely payroll.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

The payroll process as it currently exists is a labor-intensive, manual, and partly paper-based process. The City would make progress toward its sustainability goals by adopting electronic payroll processes where possible.

POSSIBLE FUTURE ACTION

Some of the report's key findings require the Payroll Audit to collaborate with other departments to strengthen safeguards related to payroll and ensure ongoing timely, correct pay for City employees. Payroll Audit will facilitate this collaboration to implement the recommendations.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Implementing the recommendations from this audit will require dedication of staff resources and possible funding to address data system issues. Implementation will progress as resources allow.

CONTACT PERSON

Jenny Wong, City Auditor, City Auditor's Office, 510-981-6750

Attachments:

- 1: Audit Report: Independent Third-Party Audit of the City of Berkeley's Payroll Audit Division



# Independent Third-Party Audit of the City of Berkeley's Payroll Audit Division

for the City of Berkeley

October 16, 2025

**GPP Analytics Inc.**

(805) 242-2071

[info@gppanalytics.com](mailto:info@gppanalytics.com)

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## Transmittal Letter

Dear City Auditor Wong,

We are pleased to present the audit report for the Independent Third-Party Audit of the City of Berkeley's Payroll Audit Division conducted by GPP Analytics Inc. for the City of Berkeley California.

Our audit was conducted in compliance with the Generally Accepted Government Auditing Standards (GAGAS) of the U.S. Government Accountability Office.

The primary objective of our audit was to evaluate the effectiveness of the Payroll Audit Division's internal controls against fraud, waste, and abuse, and to ensure the accuracy and fairness of payroll practices in compliance with relevant policies and regulations.

The following is a summary of the audit findings in the report:

**Finding 1: Updating and Maintaining a City-Wide Payroll Manual Would Improve Consistency and Lower Compliance Risk.** The City's only city-wide payroll manual is from 2011 and does not reflect ERMA/Tyler Munis or more recent labor agreements. Departments have filled the void with their own procedures, creating risk of variability and added workload. We recommend that the Payroll Audit Division, with support from the City Manager's Office, Human Resources, Information Technology, and other departments, develop and maintain a single, detailed payroll policy and procedure manual. It should include ERMA workflows, practical guidance for applying MOUs, clearly assigned roles, and a recurring review cycle at least every three years or after significant system or contract changes.

**Finding 2: Time is Manually Transcribed and an Electronic Time Entry System Would Reduce Errors and Save Time.** Across departments, including Police and Fire, hours are re-typed into ERMA from paper or separate systems (CAREWARE and TeleStaff). Manual transcription is inefficient and increases the risk of discrepancies. We estimate departmental payroll clerks spend about 5,299 hours per year on transcribing data into ERMA. We recommend implementing electronic time entry and integrating Police and Fire scheduling data with ERMA so that time flows system-to-system and staff effort can shift from typing to review and validation.

**Finding 3: Prefilled Timecards Lead to More Adjustments.** Some departments submit prefilled timecards before the pay period ends. In our random sample of 30 timecards, three (10%) required correction. Prefilling increases the chance that actual hours will differ from what was submitted. We recommend implementing electronic time entry to eliminate forecasting. Until then, departments that use prefilled timecards should send an end-of-period reminder prompting employees to review and confirm entries before clerks submit them.

**Finding 4: Finding Involving Sensitive Security Information.** *The details of this finding are issued as a separate confidential report due to sensitive security information that could be used to harm the City. The finding addresses opportunities for improvement and risk reduction.*

In addition to the four findings, this audit report includes a section titled **Other Pertinent Information** for observations and information that fall outside of the normal finding structure.

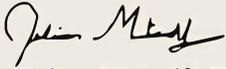
**We Identified One Case That Warrants Further Review Regarding How Salaries Are Calculated and Displayed in ERMA:** One test case during our audit showed allowances and one-time stipends were entered in a way that caused ERMA to overstate the displayed annual salary of an employee by more than five times the

actual amount, even though the employee was paid correctly. We suggest working with Information Technology and the system vendor to determine if this is an isolated configuration/data-entry issue.

**Security sensitive topic.** *The details of this section are issued as a separate confidential report due to sensitive security information that could be used to harm the City. The section addresses opportunities for improvement and risk reduction.*

We appreciate the cooperation and assistance provided by the staff. Their support was instrumental in the successful completion of this audit.

Sincerely,



Julian Metcalf, CEO

GPP Analytics Inc.

(805) 242-2071

[jmetcalf@gppanalytics.com](mailto:jmetcalf@gppanalytics.com)

## Introduction

This report presents the results of the Independent Third-Party Audit of the City of Berkeley's Payroll Audit Division, conducted by GPP Analytics Inc. at the request of the Berkeley City Auditor's Office. The City Auditor's Office regularly initiates audits of the Payroll Audit Division, with a prior audit conducted in 2016.<sup>1</sup>

The City Auditor's Office reports that this current performance audit was initiated due to the recent implementation of a new financial system, turnover of staff of other departments who have a role establishing or carrying out payroll policies and controls, and Payroll Audit Division staff nearing retirement. Routine audits also help maintain independence and support ongoing improvement.

The purpose of this performance audit was to evaluate whether the Payroll Audit Division's internal controls, policies, procedures, and practices adequately protect against fraud, waste, and abuse, and to determine whether they comply with relevant Federal, State, and City requirements. In addition, the audit examined whether the Division's practices are applied uniformly and consistently to ensure City employees receive accurate pay and benefits. The following Introduction section provides an overview of the audit's scope and objectives, the standards under which the work was performed, the timeline and methodology, a brief summary of the results, and other pertinent introductory information.

## Standards of Audit

This audit was conducted in accordance with the U.S. Government Accountability Office's (GAO) Generally Accepted Government Auditing Standards (GAGAS).<sup>2</sup> Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence for our findings and conclusions based on our audit objectives.

## Audit Objective

The primary objectives of this performance audit were the following:

1. Determine whether the division's internal control practices, policies, procedures, and environment adequately and appropriately protect against fraud, waste, and abuse; and operate in compliance with established Federal, State, and City policies, rules, and regulations.
2. Assess whether the division's practices, policies, procedures, and protocols are uniformly and consistently applied, to ensure that pay and benefits handled by the Payroll Audit Division are accurately and appropriately paid to, or applied to, City of Berkeley employees.

These objectives were established based on the scope defined in the City's request for proposals and were refined during the planning phase of the audit. In essence, the audit focused on evaluating both the effectiveness of controls (to prevent and detect errors or misuse) and the consistency of practices (to ensure fairness and accuracy) within Berkeley's payroll operations. A written report of findings and recommendations has been prepared in accordance with GAGAS reporting standards as the culmination of this audit.

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<sup>1</sup> City of Berkeley, Office of the City Auditor, Performance Audit of Payroll Division (June 28, 2016), PDF, <https://berkeleyca.gov/sites/default/files/2022-01/Performance%20Audit%20of%20Payroll%20Division.pdf>

<sup>2</sup> United States Government Accountability Office's Government Auditing Standards 2018 Revision.

## Audit Timeline and Methods

**Phase I:** GPP Analytics Inc., and the City Auditor's Office, including leadership from the Payroll Audit Division, held an entrance conference on November 7, 2024. Following the entrance conference GPP began scheduling interviews with staff from Payroll Audit who were identified as likely to retire soon. Shortly after, the audit had a planned pause to allow the Payroll Audit Division to process routine year-end procedures and to prevent the audit from being a distraction during a traditionally busy period. In February 2025, the audit resumed and GPP interviewed more staff from the Payroll Audit Division, Payroll Clerks within various city departments, and other process stakeholders such as staff from the Information Technology Department.

During this period, GPP reviewed the following materials provided by Payroll Audit and other City staff:

- City and Departmental policies, procedures, and other documentation when available
- Sample reports
- City ordinances
- IT system guides and documentation
- IT system (ERMA) reports

Phase I was completed with a formal Risk Assessment & Planning Memorandum in April 2025, which set the detailed testing plan and finalized the engagement risk assessment.

**Phase II:** The phase began with the distribution and analysis of an online survey of all departmental payroll clerks to capture process variations, and gain an understanding of operational challenges. The audit team secured data extracts from the City's payroll system, Tyler Munis (ERMA as it is commonly called), and ran audit-analytics reports to screen the full population of payroll transactions and access logs. Next, we performed targeted testing that included (1) Random statistical samples for transaction accuracy and compliance and (2) risk-based samples and case studies where indicators or survey feedback pointed to possible control gaps. We held follow-up interviews with payroll clerks, division staff, and IT to clarify results and document control procedures. At the conclusion of the phase, the audit team wrote a draft of the audit report and performed internal quality control reviews.

**Phase III:** On July 15, 2025, we provided the auditees with a confidential copy of the draft report, which they reviewed for factual accuracy and any inadvertent inclusion of confidential information. We received all additional information by August 6, 2025. On August 29, 2025, we issued a revised draft seeking additional clarification and feedback. On September 16, 2025, we issued a further revised draft with a request for a written response to each of the report recommendations. On October 1, 2025, we discussed the appropriate handling of sensitive security information and issued a further revised report on October 2, 2025. We received the written responses from auditees on October 14, 2025, and they are included as attachments to this report. The Final Report, which combines the Revised Draft and the auditee's written responses, was transmitted to the City Auditor.

## Payroll Audit Background

The City of Berkeley's Payroll Audit Division is a specialized unit within the elected City Auditor's Office, established by City Charter mandate to oversee payroll operations as an internal control.<sup>3</sup> Unlike many municipal payroll units in other jurisdictions (often housed under Finance or Human Resources), Berkeley's payroll function was placed in the independent Auditor's Office to promote accountability and accuracy.

The City's ordinance code states that:

*"The Auditor is authorized to examine or review all City payments and payrolls before issuance [...]. The Auditor also directs a Payroll Audit division, responsible for certain centralized payroll functions of the City's decentralized payroll system."*<sup>4</sup>

Thus, the Payroll Audit Division's core responsibility is to examine and monitor citywide payroll for accuracy, accountability, and compliance with all applicable federal/state laws, City policies, and labor agreements. In practice, this means Payroll Audit coordinates the entire payroll process for the City, processing biweekly pay for employees, issuing paychecks and reports, maintaining payroll records, and checking that every payment conforms to approved pay rates and rules. By design, the Division serves as a safeguard to ensure that taxpayer funds are disbursed correctly and that payroll transactions are processed timely and in line with established compensation policies. This structure gives the City Auditor oversight of payroll processes, adding a layer of review intended to deter fraud or errors in one of the City's largest recurring expenditures.

### *Relationship to management and Human Resources*

It is important to clarify that Payroll Audit does not make decisions about what employees get paid or how pay rules are interpreted, those are management and Human Resources (HR) functions. HR and City management set compensation policy (e.g. pay scales, raises, labor contract terms), interpret labor agreements, and decide individual pay actions, whereas Payroll Audit's role is to administer those decisions. In other words, Payroll Audit acts effectively as the citywide "payroll controller," executing the pay changes approved by HR and departments and verifying their accuracy, rather than determining pay entitlements. For example, Payroll Audit staff review personnel action forms for compliance and correctness. If there are ambiguities or disputes in pay rules, Payroll Audit reports that it defers to HR and management to decide on the proper interpretation, then applies that decision.

### *Role in Payroll Information System Implementation and Management*

The division has also had a defined role in the City's financial system or enterprise resource planning (ERP) modernization. Following a competitive process, Berkeley selected Tyler Technologies' Munis ERP to replace legacy systems and implement HR/Payroll with Employee Self-Service.<sup>5</sup> As the City has rolled out and matured Munis (internally referred to as ERMA), the City phased its implementations and integrations, including a timekeeping tool known as ExecuTime.<sup>6</sup> Payroll Audit's Payroll Manager has served as the division's representative for the Employee Self-Service (ESS) module implementation, for

<sup>3</sup> City of Berkeley, Charter of the City of Berkeley, § 61 "Duties of the Auditor," web page, <https://berkeley.municipal.codes/Charter/61>

<sup>4</sup> Berkeley Municipal Code, § 2.24.050 "Scope of audits," web page, <https://berkeley.municipal.codes/BMC/2.24.050>

<sup>5</sup> City of Berkeley, Digital Strategic Plan Update to Council (2021), PDF, stating the City selected Tyler Technologies' Munis ERP to replace core financials and implement HR/Payroll with Employee Self-Service, <https://berkeleyca.gov/sites/default/files/2022-02/Digital-Strategic-Plan-Update-2021.pdf>

<sup>6</sup> City of Berkeley, Contract No. 32100021 Amendment: Telfords for Tyler Munis ERP (ERMA) (March 30, 2021), PDF, noting phased approach including launching payroll before finalizing ExecuTime timekeeping integration, <https://berkeleyca.gov/sites/default/files/documents/2021-03-30%20Item%2008%20Contract%20No.%2032100021%20Amendment%20Telfords.pdf>

timekeeping modernization and integration work, and serves as a resource for payroll system setup and troubleshooting.<sup>7</sup> This is reinforced by interviews with staff during our audit and earlier Audit Office reports also note Payroll Audit's coordination with the City's IT function and Tyler Technologies on payroll system access controls.<sup>8</sup> These activities reflect Payroll Audit's practical role in participating in design, configuration, implementation, and maintenance of the payroll components of ERMA, consistent with its mandate to ensure accurate and compliant payroll processing under management's policies.

### *Role is Mixture of Oversight and Execution*

In summary, Berkeley's Payroll Audit Division serves as the central hub for payroll administration and oversight combined. It implements pay decisions within the framework set by HR, maintains compliance with all legal and contractual requirements, has a role in implementing and maintaining the City's payroll related information systems, and proactively safeguards the integrity of the City's payroll process.

### What Payroll Audit Does Well

Staff and management of the Payroll Audit Division demonstrate a detailed command of critical payroll elements within their complex operating environment. Staff understand and correctly apply a wide range of payroll, labor, and statutory rules, ensuring high-risk components of each payroll run are handled accurately despite system constraints. The Division follows structured processes such as using the Personnel Actions workflow in its payroll system for employee changes, which enforces supervisory approval and proper authorization of updates. It also maintains thorough documentation and audit trails for payroll transactions. For example, timecard records are retained with older records retrievable from off-site storage. The Payroll Audit team works proactively to ensure timely, accurate processing of payroll. This is notable given the ongoing pressure of the payroll workflow and the complex nature of the information the team processes.

Anecdotally, staff and management of the Division expressed openness to continuous improvement during the audit. This was evidenced by their consistent and prompt responses to inquiries, transparent provision of documentation, and assistance even to questions that could otherwise appear critical of their work. The Payroll Clerks within the departments and staff from the Information Technology department also expressed similar sentiment and openness to improvement and transparency.

Our testing did not reveal any material errors that weren't previously identified and corrected by the Payroll Audit Division. This aligns with the proactive and precise work environment we observed, as described above.

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<sup>7</sup> WBCP (for City of Berkeley), Payroll Manager (Audit Manager — Payroll) Recruitment Brochure (March 25, 2025), PDF, stating the Payroll Audit Division lead role for Munis Employee Self-Service and division representation for ExecuTime/timekeeping modernization, <https://wbcpinc.com/wp-content/uploads/2025/03/FINAL-PDF-City-of-Berkeley-Payroll-Manager.pdf>

<sup>8</sup> City of Berkeley, Office of the City Auditor, Performance Audit of the Payroll Audit Division — Final Status Update (January 30, 2018), PDF, noting Payroll Audit coordination with IT and Tyler on payroll system access controls, [https://berkeleyca.gov/sites/default/files/2022-01/Performance%20Audit%20of%20the%20Payroll%20Audit%20Division\\_Final%20Status%20Update\\_013018.pdf](https://berkeleyca.gov/sites/default/files/2022-01/Performance%20Audit%20of%20the%20Payroll%20Audit%20Division_Final%20Status%20Update_013018.pdf)

## Findings

### Finding 1: Updating and Maintaining a City-Wide Payroll Manual Would Improve Consistency and Lower Compliance Risk

#### WHY THIS MATTERS

Salary and benefits (payroll) costs are one of the City's largest recurring expenditures, yet the primary policy document guiding that process, the 2011 city-wide payroll manual, predates both the Tyler Munis (ERMA) payroll system and several rounds of labor negotiations. In the absence of updated direction, each department has filled the vacuum with its own ad-hoc procedures. Those improvised work-arounds range from handwritten timecards to custom Excel templates and specialized Fire and Police scheduling software. The result is a patchwork of practices that obscures accountability, increases the likelihood of pay errors, and complicates any effort to demonstrate compliance with labor agreements, tax rules, and internal-control standards.

#### RELEVANT CRITERIA AND GUIDANCE

1. Government Finance Officers Association: Recommends governments issue and maintain organization-wide procedures that define roles, cut-off deadlines, and control activities to safeguard accuracy.
2. GAO Standards for Internal Control in the Federal Government (Green Book), Principle 12: Requires management to implement control activities through documented policies and procedures.

#### WHAT WE FOUND

Since the City last issued payroll guidance in January 2011, departments have developed their own methods for capturing time and processing pay. The City's Payroll Clerks spend considerable time re-keying data, reconciling totals, and correcting misunderstandings of labor-agreement provisions.

#### *Delayed Manual Update Due to New System, Payroll Audit Workload, and HR Turnover*

The Payroll Audit Division reports three main causes that contribute to its delay of updating the city-wide payroll manual. First, payroll functions in ERMA were implemented in 2021. The Payroll Audit Division states that it initially waited to update the manual "to have time to learn the complex new system and include information about it in the manual." This makes practical sense since the system would have been a significant shift for stakeholders in the payroll process.

Second, once implemented, the Payroll Audit Division noted a significant increase in payroll errors their staff were tasked with identifying and working with department's Payroll Clerks to correct. In fact, their analysis reports that "the error rate has increased over time, from an average of 6.7 percent in 2016 to 94.5 percent in 2022."<sup>9</sup> As expected, this increase in error rate has significantly increased the Payroll Audit Division's workload and limited their resources which are now focused on the persistent need to ensure accurate biweekly payroll.

<sup>9</sup> City of Berkeley, FY 2023 and FY 2024 Adopted Biennial Budget (July 1, 2022), PDF, pp. 192–193, available at <https://berkeleyca.gov/sites/default/files/documents/FY-2023-2024-Adopted-Budget-Book.pdf>

Third, the Payroll Audit Division reports that “this initiative remained on hold due to instability in HR. There were 11 different HR representatives during the ERMA implementation process.” Since HR is a key stakeholder in the payroll process (they determine what employees get paid and how pay rules are interpreted), the Division was not in a position to independently update the Citywide Payroll Manual.

#### *Payroll Clerks Report That the 2011 Manual Is Not Helpful*

We conducted a survey offered to all Payroll Clerks (see Appendix A for more details on the survey). The majority didn’t have a copy of the 2011 Manual. One respondent stated they had a copy, but it wasn’t helpful. Only one respondent stated that they had a copy of the 2011 manual, and they found it helpful. See Appendix A: Payroll Clerk Survey for more details.

Their responses align with our observations. The 2011 manual is based on the system that was in place prior to ERMA known as FUNDS\$, and the 2011 manual does not detail many of the other payroll considerations such as interpreting and applying the City’s payroll rules and agreements.

#### *Turnover Threatens Knowledge Retention*

The Payroll Audit Division faces pending retirements and many of the payroll clerks in the various Departments are relatively new. Because training is left to each department, critical knowledge is neither standardized nor documented for successors. Without a more current and comprehensive manual, the payroll process is at a higher risk of inconsistency and/or error due to the eventual turnover of staff.

#### *City’s Payroll Is Complex*

Our testing found a variety of cases of complex payroll rules, some resulting in errors identified

by departments’ Payroll Clerks and the Payroll Audit Division.

The following are three examples we saw. They are testament to the vast knowledge of payroll rules, laws, and systems that the Payroll Audit Division and the department’s Payroll Clerks must retain and navigate on a regular basis. The examples also illustrate the risk of information being lost or misinterpreted due to staff turnover.

#### *Example 1: Complex MOUs, Fire Department Schedule Calculations*

Our testing found that certain Fire Department payroll scenarios are so specialized that the ERMA cannot handle them, forcing manual calculations by staff. For instance, when a firefighter on a 40-hour schedule temporarily worked a 56-hour “suppression” shift, the system couldn’t convert the pay rate between schedules. In this case payroll clerks had to manually compute a retroactive overtime adjustment using a special conversion spreadsheet.

Additionally, the Fire Department’s labor agreement mandates an extra holiday pay code for Unit B firefighters (code 212 in addition to regular holiday pay code 211), which isn’t automated. Staff must track and manually apply these two codes correctly.

These complex provisions and system limitations led to routine and expected manual corrections, underscoring the need for clearer documented guidance on pay rules like these.

#### *Example 2: Time Codes*

In multiple payroll transactions we sampled, employees’ hours were initially recorded under incorrect time codes or with pre-filled hours that later changed, and these mistakes had to be manually corrected by the departments’ Payroll Clerks or the Payroll Audit Division. For example, one department’s practice of submitting pre-populated timecards early (See Finding 3 for more details on this practice) led to cases where the wrong attendance code or

hours were entered, requiring clerical adjustments in ERMA before final processing. Such recurring errors in time code usage illustrate how, without a current policy manual or standardized guidance, departments could easily interpret timekeeping rules inconsistently, leaving it to the Payroll Audit Division to catch and correct coding errors on timecards.

*Example 3: Labor Agreement Interpretation Could be Detailed in Payroll Manual*

Our testing revealed the risk of ambiguity in some aspects of the City's labor agreements, or memorandum of understandings (MOUs) with represented labor unions. While these MOUs are negotiated and interpreted by City management and HR, the Payroll Audit Division must administer them during payroll processing.

For example, one MOU, the International Brotherhood of Electrical workers Local 1245, has a clear maximum of 320 hours of vacation leave that can be accrued. The remaining seven MOUs with labor groups state a 320-hour vacation limit, yet they don't clearly require stopping accrual once that cap is reached or provide clear mechanisms for enforcement. As a result, five of the 30 payrolls we randomly tested had more than the allowable 320 hours of accrued vacation hours. Of the five employees, one had accrued roughly 1,500 hours and another had accrued roughly 1,000 hours. Because the agreements lack explicit direction, the Payroll Audit Division must rely on HR's direction to administer them.

The Payroll Audit Division reports that a prior HR Director had previously directed them to allow staff in these labor groups to accrue beyond 320 hours. However, there is no written record of it and no guidance available to the Payroll Clerks who must regularly administer the labor agreements when managing the payroll processes. Given the overall complexity of the MOUs, not just in this one example, it

would benefit the City to have written interpretation of labor agreement rules in the citywide payroll manual.

This example is provided to illustrate the need for documentation. It does not recommend changes to any MOU or collective bargaining provision.

*Known Problems Illustrate Complexity Of Payroll*

The three examples represent routine challenges that are managed by the Departments' Payroll Clerks and the Payroll Audit Division. In some ways, the examples are a testament to the current process design combined with the staffs' ability to handle them already. However, the examples also illustrate the complexity of the payroll operating environment, which in and of itself poses risk of errors. This demonstrates the need for clear and up-to-date guidance to promote consistency, reduce the risk of errors, and preserve knowledge after eventual staff turnover.

*No Single Responsible Party*

Due to the decentralized structure of the City's payroll process, there is no single party that is responsible for all payroll policies and procedures in the City. As discussed in the Background section of this report, HR is responsible for pay decision policy interpretation and the Payroll Audit Division is responsible for administration. The involvement of both parties is needed to update and maintain the citywide payroll manual. Historically this has been led by the Payroll Audit Division. Unless the City seeks to change prior practices, we recommend that Payroll Audit Division lead the effort to update and maintain a more comprehensive manual to reduce the risk of errors, add clarity to the overall payroll process and system, and reduce the time cost of making routine manual corrections.

## Recommendations

The Payroll Audit Division should:

- 1.1 Work with the City Manager's Office, Human Resources, Information Technology, and stakeholder departments to develop and maintain a single Citywide Payroll Policy and Procedure Manual.

The manual should:

- Document ERMA/Tyler Munis workflows. Provide step-by-step guidance, screen shots, and control points for all standard payroll transactions.
- Incorporate labor agreement provisions. Translate each current labor agreement into clear payroll instructions (e.g., overtime differentials, specialty pays, leave accrual rules).
- Set an update schedule. Require a review at least every three years, or sooner if a major system or contract change occurs and assign ownership for keeping the manual current.

## Finding 2: Time is Manually Transcribed, and an Electronic Time Entry System Would Reduce Risk of Errors and Save Time

### WHY THIS MATTERS

Manual transcription of employee work hours into the City of Berkeley's payroll system, ERMA, is inefficient and increases the risk that errors will occur. The process is inherently prone to human error such as misreading handwritten entries or mistyping data, which can result in payroll discrepancies that affect employee compensation. The American Payroll Association estimates that manual transcription results in errors 1% - 8% of the time<sup>10</sup>.

Records indicate that the City had been working to implement an electronic time entry system in 2021, but the City Manager's Office paused implementation in 2022.

### RELEVANT CRITERIA AND GUIDANCE

The following legal criteria demonstrate the City's legal requirement to maintain accurate time records.

- a. The Fair Labor Standards Act (FLSA) requires all employers to maintain accurate records.
- b. California Labor Code § 1174 mandates that employers maintain accurate and detailed payroll records.

### WHAT WE FOUND

The City of Berkeley's payroll process relies heavily on manual transcription of employee work hours from paper timecards and disparate electronic systems into ERMA, the city's payroll platform. Manual transcription is a labor-intensive process, requiring employees to complete timesheets by hand and submit them to payroll clerks. Payroll Clerks then re-enter the information into payroll systems for processing and issuing checks. This method of time tracking and reporting is prone to errors, because it relies on the accuracy of individual employees who manually transcribe information from one system to another.

#### *Even Departments With Digital Timesheets Must Manually Type Time Into Payroll System*

Manual transcription occurs across all City departments, even Police and Fire, which use their own digital timesheet systems known as CAREWARE and TeleStaff, respectively. Neither of their time systems are integrated with ERMA and as a result, Payroll Clerks must manually input data from these systems into ERMA. However, the Payroll Audit Division reports that it has already begun to work on integrating CAREWARE to integrate with ERMA.

The lack of integration and automation increases the administrative burden on payroll staff and introduces potential transcription errors in the payroll workflow.

<sup>10</sup> Payroll industry attributes a 1% – 8% error rate to the American Payroll Association (APA), but the report is no longer publicly available. Recent literature that supports this widely quoted range include:

1. ADP/Labor Management Institute, 10 Best Practices for Time & Attendance Professionals, July 2019, p. 3, <https://www.adp.com/-/media/adp/resourcehub/pdf/10-best-practices-july-2019.pdf>
2. Ernst & Young's 2022 HR Processing Risk & Cost Survey found payroll accuracy of 80.15% (≈ 1 in 5 runs contain an error) and an average fix cost of \$291 ([https://eyquest.com/files/Cost\\_and\\_Risks\\_Due\\_to\\_Payroll\\_Errors\\_2022\\_Final.pdf](https://eyquest.com/files/Cost_and_Risks_Due_to_Payroll_Errors_2022_Final.pdf))
3. A 2020 internal audit of the Fayetteville, NC Police Department likewise traced incorrect wages to manual paper time-keeping (<https://www.fayettevillenc.gov/files/sharedassets/main/v/1/city-managercommunications/documents/audit-reports/2019-2020/audit-report-a202001-poli.pdf>)

### *The High Cost of Manual Transcription Errors*

Manual time tracking demands perfect accuracy from employees and payroll clerks, which is a difficult standard to meet consistently.

According to studies by the American Payroll Association, errors resulting from manual transcription alone can account for 1%–8% of total payroll costs. To put that in perspective, payroll is the largest expense for the city<sup>11</sup>. For 2024, the annual payroll expense was \$314.0 million<sup>12</sup> which could mean up to \$25.0 million is at risk of errors which may or may not be identified and then corrected later in the process.

### *Cost of Transcribing Each Timesheet into ERMA*

We estimate that the Departmental Payroll Clerks spend a cumulative 5,299.23 hours per year manually transcribing timesheets into ERMA.<sup>13</sup> This estimate does not count time spent later correcting possible errors caused by the transcription process itself.

The time and staff resources spent re-typing timesheets could be better used reviewing the time entries, validating its accuracy, and ensuring compliance with the City's complex labor agreements.

The time-consuming nature of manual data entry not only slows down payroll processing but also leads to significantly higher operational costs for the City. Payroll clerks must spend countless hours manually reviewing, verifying, and transcribing time records, which reduces efficiency and increases administrative expenses. Freeing clerks and auditors of this

would add more time and resources to spend on validating and monitoring time submissions from employees.

### *Why No Electronic Timesheets Yet*

ERMA was first deployed by the City of Berkeley in 2018 to replace the prior system known as FUND\$, with the payroll functions implemented in 2021. Although electronic timesheets were part of the original implementation plan for ERMA, their deployment has been reportedly delayed due to differing resource prioritization.

Similar to how the Payroll Audit Division reports it is working with stakeholders to integrate the Police Department's CAREWARE time system with ERMA, Payroll Audit could lead the initiative to implement electronic time entry Citywide.

The Payroll Audit Division would need to coordinate with the City Manager's Office and the Information Technology Department. This would likely involve system configuration, user training, data migration, and change management. While the exact cost of implementation would depend on the scope and vendor involvement, the ongoing cost is likely to be less than the estimated 5,299.23 hours of staff time currently spent on manual transcription.

Once implemented, the time saved could be redirected toward more thorough validation and review of employee time submissions, enhancing accuracy and enabling proactive monitoring for patterns of fraud, waste, or abuse (see the 'Other Pertinent Information' section for further details).

<sup>11</sup> City of Berkeley 2024 ACFR - <https://berkeleyca.gov/sites/default/files/documents/annual-comprehensive-financial-report-fy2024.pdf>. In 2024, total expenses amounted to \$563.0 million, with \$314.0 million of that for payroll expense. This means that payroll alone accounted for more than half of the organization's total spending for the year.

<sup>12</sup> Government Compensation in California – City of Berkeley 2024 - <https://gcc.sco.ca.gov/Reports/Cities/City.aspx?entityid=61>

<sup>13</sup> Our estimate is based on 1,747 full-time equivalents (FTE) noted in the FY 2025 & 2026 Adopted Budget. This is multiplied by 26 payroll periods and then by seven minutes, a figure that commonly used in industry research, generally citing estimates from the American Payroll Association, suggests it takes seven minutes on average to transcribe timesheets to payroll system entries. This figure is just an estimate to gauge the rough magnitude of resources used by the City to transcribe timesheets.

## Recommendations

The Payroll Audit Division should:

- 2.1 Request that the City Manager's Office and the Information Technology Department re-prioritize the implementation of an electronic timekeeping system.
- 2.2 Coordinate with the Information Technology Department to integrate Telestaff, the timekeeping systems used by the Fire Department, into ERMA, similar to their current initiative to integrate the Police Department's CAREWARE into ERMA.

### Finding 3: Prefilled Timecards Lead to More Adjustments

#### WHY THIS MATTERS

Some departments choose to use prefilled timecards, which are automatically populated with the employee's expected or scheduled hours before the workweek is completed based. The use of prefilled timecards, while intended to streamline payroll processing and meet tight submission deadlines, introduces significant risks of payroll errors and overpayments. Based on our audit testing, we estimate that around 10% of timecards require correction due to prefilled timecards, and others are subject to the risk of errors that go undetected.

#### RELEVANT CRITERIA AND GUIDANCE

- a. The Fair Labor Standards Act (FLSA) requires all employees to maintain accurate records for all non-exempt employees.
- b. California Labor Code § 1174 mandates that employers must maintain accurate and detailed payroll records for all employees.

Prefilled timecards, while convenient, can pose a significant compliance risk under this law. Because they automatically populate hours worked without requiring employees to actively confirm or adjust their entries, this process increases the risk that errors will occur, especially the risk that unplanned sick time will be recorded as hours worked. Our testing identified instances where errors were identified and corrected. However, there is risk that not all errors are identified and corrected and unintentionally violate the law and pay employees incorrectly.

#### WHAT WE FOUND

Certain departments, such as the Library, which operates multiple locations, use pre-filled timecards. They are typically submitted on the second Tuesday of each pay period. This is almost five days before the pay period ends on Saturday at midnight. This practice thus covers most of the second week of the pay period, even though that week has not yet concluded. This practice is designed to streamline payroll processing and minimize delays. However, it also introduces a notable risk of discrepancies when actual hours worked differ from the scheduled forecasts.

#### *An Estimated 10% of Payroll Transactions Require Correction and Others May Still Have Errors*

We tested a sample of 30 randomly selected timecards and found that three (10%) contained errors relating to prefilled timecards. Two of the three cases involved sick leave that was taken after the prefilled timecard was submitted. These errors were identified by the employees' supervisors after timesheets were submitted. Had they not been caught it would have resulted in overpayment to the employee. The third case relates to the timecard's accidental inclusion of a timecode.

While these represent the instances where errors were identified and corrected, it is quite possible that in other instances errors are not identified and corrected. Identification and correction can only occur if supervisors are diligent in tracking sick time and other leave that is requested and taken after submittal of the timecard. Payroll Clerks and the Payroll Audit Division would not have the knowledge to identify that leave occurred.

### *Electronic Time Entry Could Help*

A common best practice is to use electronic time entry to eliminate the need for prefilled or forecast timesheets<sup>14</sup>. Such tools allow employees and their supervisors to enter, review, and approve time from multiple locations with access to a computer, smartphone, or kiosk. According to the City's Information Technology Department, this feature was planned for the inclusion in its payroll system, Tyler Munis (ERMA), but has been deprioritized by the City Manager's Office and there is no current timeline for implementation. If an electronic timecard system is implemented, it should prohibit departments from using prefilled timecards within such a system.

The additional benefits of implementing an electronic time system are discussed further in Finding 2 of this report.

### *Targeted Timecard Review Prompts As Interim Solution*

Until an electronic time entry system can be implemented, industry best practices suggest using communication and other tools to offset some of the problems with prefilled timecards.<sup>15</sup>

There is an opportunity to improve timecard efficiency, reduce fraud risk, and reduce payroll processing delays by implementing a targeted reminder system for employees who use prefilled timecards. This system would automatically prompt employees to review and confirm their time entries at the end of the pay period before submission by payroll clerks. This ensures that any discrepancies or outdated information are identified and addressed early in the process

By encouraging timely validation, the reminder system reinforces individual accountability and helps prevent common errors that often result from overlooked or assumed accuracy in prefilled data.

<sup>14</sup> Government and professional guidance agree that automated, exception-based time-and-attendance systems strengthen internal controls and cut manual-entry errors:

1. GAO: "Advancing technology and the increased use of automation" let agencies streamline T&A reporting while maintaining control ( Maintaining Effective Control Over Employee Time and Attendance Reporting, Dec 2000, p. 3, <https://www.gao.gov/assets/gao-01-186g.pdf> ).
2. U.S. Department of Defense FMR: Agencies should "apply available technology ... to achieve efficient and effective T&A system processes and controls" (DoD 7000.14-R, Vol 8, Ch 2, § 2.1.2.2, Apr 2025, [https://comptroller.defense.gov/portals/45/documents/fmr/current/08/08\\_02.pdf](https://comptroller.defense.gov/portals/45/documents/fmr/current/08/08_02.pdf) ).
3. ADP / Labor Management Institute: Manual or decentralized time-entry "can lead to substantial inefficiencies" and the American Payroll Association estimates 1 – 8 % error rates for paper time cards (10 Best Practices for Time & Attendance Professionals, 2019, p. 2, <https://www.adp.com/-/media/solution-center/mas/pdf/articles/best-practices-for-time-tracking.ashx>

<sup>15</sup> Guidance stresses that manual or pre-filled T&A records must be re-checked right at the close of each pay period:

1. GAO warns that employee attestations and verifications "should be performed as close to the end of the pay period as possible" to catch discrepancies early (Maintaining Effective Control over Employee Time and Attendance Reporting, 2000, p. 10, <https://www.gao.gov/assets/gao-01-186g.pdf>)
2. ADP operationalizes this standard with automatic alerts when unapproved or exception entries remain open, prompting employees and supervisors to act before payroll is run (<https://www.adp.com/resources/articles-and-insights/articles/t/time-and-labor.aspx>)

## Recommendations

The Payroll Audit Division should:

- 3.1 Request that the City Manager's Office and the Information Technology Department re-prioritize the implementation of an electronic timekeeping system. *(This is the same recommendation as 2.1 but duplicated here in the context of Finding 3).*
- 3.2 Work with the City Manager's Office and the Information Technology Department to ensure that if an electronic timekeeping system is implemented, it prohibits departments from using prefilled timecards within the system.
- 3.3 As a temporary measure, assist departments that use prefilled timecards to implement a targeted reminder system for employees using prefilled timecards to prompt staff to review and validate prefilled timecards before the payroll deadline.

#### **Finding 4: Finding Involving Sensitive Security Information**

*The details of this finding are issued as a separate confidential report due to sensitive security information that could be used to harm the City. The finding addresses opportunities for improvement and risk reduction.*

## Recommendations List

| Rec. ID | Owner                  | Related Parties                                                                         | Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------|------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1     | Payroll Audit Division | City Manager's Office; Human Resources; Information Technology; stakeholder departments | <p>Work with the City Manager's Office, Human Resources, Information Technology, and stakeholder departments to develop and maintain a single Citywide Payroll Policy and Procedure Manual. The manual should:</p> <ul style="list-style-type: none"> <li>• Document ERMA/Tyler Munis workflows. Provide step-by-step guidance, screen shots, and control points for all standard payroll transactions.</li> <li>• Incorporate labor agreement provisions. Translate each current labor agreement into clear payroll instructions (e.g., overtime differentials, specialty pays, leave accrual rules).</li> <li>• Set an update schedule. Require a review at least every three years, or sooner if a major system or contract change occurs and assign ownership for keeping the manual current.</li> </ul> |
| 2.1     | Payroll Audit Division | City Manager's Office; Information Technology                                           | Request that the City Manager's Office and the Information Technology Department re-prioritize the implementation of an electronic timekeeping system.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 2.2     | Payroll Audit Division | Information Technology; Fire Department                                                 | Coordinate with the Information Technology Department to integrate Telestaff, the timekeeping systems used by the Fire Department, into ERMA, similar to their current initiative to integrate the Police Department's CAREWARE into ERMA.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 3.1     | Payroll Audit Division | City Manager's Office; Information Technology                                           | <p>Request that the City Manager's Office and the Information Technology Department re-prioritize the implementation of an electronic timekeeping system.</p> <p><i>(This is the same recommendation as 2.1 but duplicated here in the context of Finding 3).</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 3.2     | Payroll Audit Division | City Manager's Office; Information Technology                                           | Work with the City Manager's Office and the Information Technology Department to ensure that if an electronic timekeeping system is implemented, it prohibits departments from using prefilled timecards within the system.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 3.3     | Payroll Audit Division | Departments currently using prefilled timecards                                         | As a temporary measure, assist departments that use prefilled timecards to implement a targeted reminder system for employees using prefilled timecards to prompt staff to review and validate prefilled timecards before the payroll deadline.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

*The recommendations from Finding 4 are included in a separate confidential report due to sensitive security information that could be used to harm the City.*

## Other Pertinent Information

This section includes information related to observations that are not audit findings but is information that we believe is either helpful to the City or otherwise important to communicate. There are no formal recommendations based on this section of the report.

### We Identified One Case That Warrants Further Review Regarding How Salaries Are Calculated and Displayed in ERMA

During our audit testing we uncovered a case of incorrect system configuration/data entry leading to a misleading compensation figure. In one sample, an out-of-class assignment and several one-time stipends were entered improperly in the payroll system, causing the system's reports to double-count portions of pay. The employee's annual salary was overstated by displaying an amount over five times larger than the actual amount. We confirmed that the employee was paid the correct amount, and the system was only displaying the wrong value.

#### *Unclear If Isolated Bug or Systemic Issue*

The Payroll Audit Division reported they had opened a support ticket with Tyler Munis. Given the unusual circumstances of the allowances we do not believe this is widespread risk.

Displayed values in ERMA could be used by staff to quickly check the accuracy of pay information. If those values are wrong, this could undermine any controls that rely on checking an employee's displayed salary in ERMA against other reported figures.

#### *Should Be Investigated Further and Possibly Remediated*

We suggest that the Payroll Audit Division fully evaluate this issue with the Information Technology Department and Tyler Munis to determine the extent of the error and ensure the problem is corrected in this and any other instances.

## Sensitive Security Topic

*The details of this section are issued as a separate confidential report due to sensitive security information that could be used to harm the City. The section addresses opportunities for improvement and risk reduction.*

## Appendix A: Payroll Clerk Survey Details

The survey targeted all 31 departmental Payroll Clerks across the City of Berkeley. The audit team distributed the questionnaire as an online survey via a Microsoft Forms link emailed directly to the Payroll Clerks on April 30, 2025. The clerks were asked to respond by May 9, 2025. A reminder email was sent on May 8, 2025. To encourage candid feedback, respondents' names were collected only for potential follow-up clarification, and the clerks were informed results would be reported in aggregate without identifying individuals. In total, nine payroll clerks submitted responses to the survey, representing multiple City departments. The following sections summarize each survey question and the aggregated results.

### *Question 1: Name (so we can follow up with you if needed)*

[results not shown for anonymity]

### *Question 2: What department(s) do you serve in your payroll clerk role*

[results not shown for anonymity]

### *Question 3: How long have you been working as a Payroll Clerk?*

Distribution of Payroll Clerk tenure (years in position).

| <b>Answer</b>     | <b>Response count</b> |
|-------------------|-----------------------|
| Less than 1 year  | 1                     |
| 1-3 years         | 5                     |
| More than 5 years | 3                     |
| <b>TOTAL</b>      | <b>9</b>              |

### *Question 4: How many employees are in your department?*

Department size (number of employees) served by each Payroll Clerks. Departments ranged widely in size.

| <b>Answer</b>     | <b>Response count</b> |
|-------------------|-----------------------|
| Less than 20      | 0                     |
| Between 20 - 100  | 3                     |
| Between 100 - 500 | 6                     |
| Over 500          | 0                     |
| <b>TOTAL</b>      | <b>9</b>              |

*Question 5: How many payroll clerks are in your department?*

Number of Payroll Clerks per department. The survey results show that most departments have two payroll clerks assigned, with occasional exceptions of larger or one-person teams.

| Answer       | Response count |
|--------------|----------------|
| One          | 1              |
| Two          | 7              |
| Three        | 1              |
| Four         | 0              |
| <b>TOTAL</b> | <b>9</b>       |

*Question 6: Is there an assigned backup payroll clerk for when you are on leave or otherwise not available?*

All respondents answered “Yes” – every payroll clerk indicated there is a designated backup clerk to cover their duties during leave or absences. This 100% positive response reflects backup coverage for payroll functions (a control weakness noted in past audits has evidently been addressed). Each Payroll Clerk provided the name and department of their backup in the survey (details omitted here). The universal presence of backup personnel is a strong point in continuity of operations.

| Answer       | Response count |
|--------------|----------------|
| Yes          | 9              |
| No           | 0              |
| <b>TOTAL</b> | <b>9</b>       |

*Question 7: If "yes", provide name, position and department of backup clerk*

[results not shown for anonymity]

*Question 8: Thinking back over the last year, how often does your backup fill in?*

Frequency with which backup clerks assume payroll duties. Among those with backups (all Payroll Clerks), the majority reported that backups are used rarely. Notably, none of the respondents use their backup on a regular (monthly or more frequent) basis. This suggests that backups exist as a contingency but are activated only infrequently, possibly during extended leave or special circumstances, rather than as part of routine rotations.

| Answer                             | Response count |
|------------------------------------|----------------|
| Never                              | 2              |
| Rarely (once or twice a year)      | 4              |
| Sometimes (a few times a year)     | 3              |
| Frequently (at least once a month) | 0              |
| <b>TOTAL</b>                       | <b>9</b>       |

*Question 9: To the best of your knowledge has the backup received training or had the opportunity to perform your duties in the last 6 months?*

Every respondent answered “Yes” to this question. In other words, all nine Payroll Clerks indicated their backup has been trained or given hands-on experience within the past half-year. This uniform result is encouraging and suggests the designated backups are kept current on payroll processes either through formal training or by shadowing/performing the duties periodically. Adequately trained backup staff help ensure continuity and mitigate risks associated with key person dependency.

| Answer       | Response count |
|--------------|----------------|
| Yes          | 9              |
| No           | 0              |
| Don't know   | 0              |
| <b>TOTAL</b> | <b>9</b>       |

*Question 10: List all payroll related trainings you have received in the past year.*

|                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Answer</b>                                                                                                                                                                                                                                                                                |
| - Run employee reports (incl time entry, accrual leaves, etc.) from Erma - Got trained for the correct pay codes use for employees (Sworn and Non-Sworn) - Got trained for the add pays                                                                                                      |
| I've received training from my co-worker.                                                                                                                                                                                                                                                    |
| Year-end meeting with Payroll Audit & HR to discuss year-end closing and MOU adoption.                                                                                                                                                                                                       |
| The trainings that I remember were on sick and vacation hours when someone terminates or retires and FMLA. Both very good. We get the best support from Payroll Audit throughout the process as new questions always arise Specifically Ann DelRosario and George Domingo; both outstanding! |
| Zero                                                                                                                                                                                                                                                                                         |
| I am cross-training with [different department]                                                                                                                                                                                                                                              |
| Susana Khoo trained me before she retired. Julie Sowell trains me on a daily basis when I need help. Sea Liang is currently training me on Police & Fire Payroll.                                                                                                                            |
| None that I can remember                                                                                                                                                                                                                                                                     |
| None.                                                                                                                                                                                                                                                                                        |
| I've received training from my co-worker.                                                                                                                                                                                                                                                    |

*Question 11: Do you have a copy of the 2011 Payroll Manual?*

Percentage of Payroll Clerks who possess the official 2011 Payroll Procedures Manual. Possession of the manual appears inconsistent across departments; nearly half of the Payroll Clerks do not have this reference document.

| Answer       | Response count |
|--------------|----------------|
| Yes          | 5              |
| No           | 4              |
| <b>TOTAL</b> | <b>9</b>       |

*Question 12: If "yes", does the 2011 Payroll Manual generally provide you with the information you need to perform your duties?*

For the five Payroll Clerks who have the manual, most reported that it is not an adequate or up-to-date resource. One of the five who in the previous question responded "yes" to having the manual, did not answer this question.

| Answer       | Response count |
|--------------|----------------|
| Yes          | 0              |
| No           | 4              |
| <b>TOTAL</b> | <b>4</b>       |

Question 13: If "no", what additional information would you like included in a payroll manual?

| Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Updated ERMA manual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Clearly defined payroll rules for respective departments.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| I don't know                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| The payroll manual was written for a payroll system we no longer use (FUND\$) so the entire manual essentially needs to get updated with all information pertinent to our current payroll system (ERMA, aka Tyler Munis.) It would take me hours to state what more I would like included, but off the top of my head, we need a list of the pay codes with specific instructions on how and when to use each code. We also need a legend to help explain the paycheck stubs to employees. Everything is abbreviated and most items are not self explanatory. It would also help to have a resource that explains what each of the deductions is for. Also, there are many links in the manual that would probably be great to dive deeper into, but the links no longer work, so they are useless as well. |
| Yes and No - the NO would be when I have issues with ERMA or process questions about ERMA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

Question 14: How would you describe the overall efficiency of the payroll process?

Payroll Clerks' ratings of the payroll process efficiency.

| Answer               | Response count |
|----------------------|----------------|
| Very efficient       | 0              |
| Efficient            | 5              |
| Neutral              | 2              |
| Inefficient          | 2              |
| Very inefficient     | 0              |
| Prefer not to answer | 0              |
| <b>TOTAL</b>         | <b>9</b>       |

*Question 15: How often do timesheets you review have errors?*

Frequency with which clerks encounter errors in employee timesheets. The results show that Payroll Clerks encounter errors in timesheets with regularity, though frequency varies. These self-reported figures underscore that timesheet errors are a persistent issue, with nearly half of Payroll Clerks seeing them very often.

| Answer                                       | Response count |
|----------------------------------------------|----------------|
| Never                                        | 0              |
| Rarely (less than once a month)              | 2              |
| Occasionally (once a month)                  | 1              |
| Sometimes (a few times a month)              | 2              |
| Frequently (multiple times every pay period) | 4              |
| <b>TOTAL</b>                                 | <b>9</b>       |

*Question 16: If your response was "sometimes" or "frequently," what types of errors do you typically encounter?*

The prevalence of pay code mistakes and missing approvals highlights areas where additional training or system controls could help reduce error rates.

| Answer                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I see sometimes they pick the wrong work codes in the system                                                                                                           |
| Incorrect pay codes, incorrect pay period dates, timesheets not signed by supervisors, insufficient accumulated accruals                                               |
| Incorrect pay codes, supervisor approval missing, overtime not requested/approved, leave slip missing, accrued leave surpassed.                                        |
| Incorrect labor codes                                                                                                                                                  |
| Incorrect pay codes, using accruals that are not available, hours not matching leave slips. occasionally, employees forget to enter overtime shifts on their timecard. |
| Incorrect pay codes, questions about revisions requested, codes on timecards not matching codes on leave slips, hours not adding up...                                 |

*Question 17: Do you have any suggestions for improving the accuracy of timesheets?*

In their own words, Payroll Clerks proposed numerous improvements to reduce timesheet errors.

| Answer                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Simplify the work codes and make them easier for employees to understand                                                                                                                                   |
| Electronic hour and date entries by employees, reviewed and approved by supervisors, final approval by pay clerk.                                                                                          |
| Ensuring staff have access to accrued leave balances. Staff submitting timesheets online. Higher class pay codes published for approved staff.                                                             |
| Supervisor training and reminders They're supposed to review their division's timecards before they submit them to Payroll. Some supervisors do, many do not and just send them in.                        |
| Supervisors actually reviewing the timecards prior to sending them to me                                                                                                                                   |
| Employees should review their time entries at the end of the pay period (Sunday) to make sure it is accurate before Payroll Clerks submit time to Payroll Audit.                                           |
| I don't have any suggestions                                                                                                                                                                               |
| Move forward with implementing the electronic payroll system we were told we would be starting around June 2021.                                                                                           |
| Our process in [redacted] is a little different, but it works for us. We upload our timesheets into Teams. We have a channel specifically for our timesheets and managers and staff all have access to it. |

*Question 18: Do you know how to run all useful payroll reports?*

Proportion of Payroll Clerks who feel they know how to run all useful reports. We used the term "useful" reports since the reports necessary to each Payroll Clerk might differ. In addition, we used this term after considering that some staff might be apprehensive about appearing unfamiliar with a key software system and the term "useful" allows for some intentional subjectivity in their response.

| Answer       | Response count |
|--------------|----------------|
| Yes          | 7              |
| No           | 2              |
| <b>TOTAL</b> | <b>9</b>       |

*Question 19: If your response above is "No," please provide a list of all the reports you are unsure how to run.*

The two responses suggest that for these staff, they are not familiar with ERMA's reporting options generally.

| Answer                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| I'm not even aware of what reports can be ran                                                                                                            |
| I say "no" because I only run the Time Entry History and Hours Proof Reports. I'm guessing there are other "useful reports" that I am not familiar with. |

*Question 20: Do you feel you have adequate training and support for using ERMA?*

Payroll Clerks' views on whether their ERMA system training/support is adequate.

| Answer               | Response count |
|----------------------|----------------|
| Yes                  | 6              |
| No                   | 1              |
| Prefer not to answer | 2              |
| <b>TOTAL</b>         | <b>9</b>       |

*Question 21: If your response above is "No," please specify the areas or topics where you would like to receive additional training.*

(Open-ended question – responses summarized) The clerk who answered “No” to the previous question provided clear suggestions: they desire regular, structured opportunities to learn and troubleshoot ERMA. Specifically, they envisioned a monthly ERMA user group meeting to share processes and tips, a peer network to call for help when stuck, and on-demand training materials (such as updated manuals or training videos) focusing on daily tasks.

| Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| We don't have "support" for using ERMA. There is no "ERMA Support Line" we can call when we need help. Usually, if our supervisor or co-worker doesn't know how to do something, the answer is either "ERMA doesn't do that" or we try to find a work-around. As for training, I remember getting trained when we first started using ERMA in 2021, but as far as ongoing payroll trainings, there haven't been any. It would be great to have an ERMA User Group that gets together once a month to discuss processes and learn new ways of doing things from each other, and possibly a friend to call to get help when we're stuck on something. It's also hard to say what additional training I would like, when I don't even know what ERMA is fully capable of doing. It would be great if we had training videos that pertained to our daily work and/or manuals to reference when we're trying to figure something out. |
| I'm in [redacted] so luckily I do have the support for ERMA - readily available.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

**Conclusion**

The Payroll Clerk survey provided structured insights into the operational realities and challenges faced by department’s Payroll Clerks. It augmented our numerous interviews and provided uniform data we could consider in the audit.

The results indicate that while certain controls (like backup clerks) are in place, there are areas for improvement in training, documentation, and system modernization. Common pain points, such as frequent timesheet errors, reliance on an outdated manual, and mixed feelings about system support, align with the audit’s findings about process inefficiencies.

## Auditee Response Letter



October 15, 2025

Julian Metcalf  
GPP Analytics  
2478 Tierra Drive  
Los Osos, CA 93402

Dear Julian,

I would like to thank you and your team for conducting this audit of our Payroll Audit Division.

I am pleased that your audit found that Payroll Audit's staff and management demonstrated a detailed command of critical payroll elements within their complex operating environment. You also noted that they correctly applied various payroll, labor, and statutory rules, ensuring high-risk components of each payroll are handled accurately despite system constraints. As a result, your testing did not show any evidence of improper payments, and that the Division was able to identify and correct issues before they led to material errors. Thank you for acknowledging the proactive and precise work environment the Division has cultivated to accomplish this.

Overall, we agree with the audit recommendations. As you noted in the audit, an important consideration for implementing the recommendations is that Payroll Audit functions within a broader system of rules and regulations but does not have authority to interpret or change them. The Division's role is limited to applying employee pay rules as interpreted by Human Resources and city management. The payroll process also requires technology systems that involve collaboration with Information Technology. With these considerations, we present the following responses to the recommendations contingent upon availability of resources:

- 1.1 We agree and have already begun the process to update the manual. Payroll Audit will convene a revision committee to continue the process. This will be a substantial project with a goal of completion by January 2027. A biennial review and update schedule will be implemented.
- 2.1 We agree and will work with the City Manager's Office and the Information Technology Department to test and implement an electronic timekeeping system once the project is prioritized.
- 3.1 We agree and will work with the City Manager's Office and the Information Technology Department to test and implement an electronic timekeeping system once the project is prioritized.
- 3.2 We agree and will coordinate with the City Manager's Office to present the advantages and disadvantages of prefilled timecards. The prior FUND\$ system used this prefilled approach

successfully for over 25 years without issue. Payroll Audit will implement city management's final decision.

- 3.3 We agree to assist departments in implementing a reminder system for employees and supervisors to review and validate timecards before final submission to payroll clerks. This system will be maintained by the departments using prefilled timecards with recommended language from Payroll Audit.

We also agree with and will implement the recommendations to strengthen data security listed in the confidential section.

We appreciate the time and effort invested in this audit and the insights it has provided. We are committed to implementing the recommendations to strengthen our processes and ensure continued compliance, efficiency, and transparency. We look forward to ongoing collaboration to support the integrity and effectiveness of our payroll operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Jenny Wong".

Jenny Wong, City Auditor

| Upcoming Worksessions and Special Meetings |                                                             |
|--------------------------------------------|-------------------------------------------------------------|
| Scheduled Dates                            |                                                             |
| Nov 6 (6pm)                                | San Pablo Avenue Specific Plan, and Corridors Zoning Update |
| Nov 18 (4pm)                               | PAB/ODPA Annual Report                                      |
| Nov 18 (5:45pm)                            | Successor Agency to the Redevelopment Agency                |
| Dec 2 (4pm)                                | Capital Improvements and Infrastructure Bond Planning       |
| Dec 2 (5:45pm)                             | Joint Powers Financing Authority                            |
| Feb 24 (4pm)                               | Community Health Improvement Plan (HHCS)                    |
| March 10, 2026 (4pm)                       | Economic Dashboards (OED)                                   |

| Unscheduled Presentations and Special Meetings                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. Presentation on City's Unfunded Liabilities</li> <li>2. Presentation: DEI Status Report</li> </ol> |

| Future Information Reports                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. Affordable Housing Fee Feasibility Study</li> <li>2. Berkeley Fire Department Annual Report</li> </ol> |

|  |                                                                                                          |
|--|----------------------------------------------------------------------------------------------------------|
|  | <b>City Council Referrals to the Agenda &amp; Rules Committee and Unfinished Business for Scheduling</b> |
|  | None                                                                                                     |

| CITY CLERK DEPARTMENT                                                          |                      |                       |                   |
|--------------------------------------------------------------------------------|----------------------|-----------------------|-------------------|
| WORKING CALENDAR FOR SCHEDULING LAND USE MATTERS                               |                      |                       |                   |
| BEFORE THE CITY COUNCIL                                                        |                      |                       |                   |
| Address                                                                        | Board/<br>Commission | Appeal Period<br>Ends | Public<br>Hearing |
| <b>NOD – Notices of Decision</b>                                               |                      |                       |                   |
|                                                                                |                      |                       |                   |
|                                                                                |                      |                       |                   |
|                                                                                |                      |                       |                   |
| <b>Public Hearings Scheduled</b>                                               |                      |                       |                   |
| 2109 Virginia Street (Demolish 2-story commercial building)                    | ZAB                  |                       | 1/27/2026         |
| 2425 Durant Avenue (demolish existing, and construct new residential building) | ZAB                  |                       | TBD               |
|                                                                                |                      |                       |                   |
| <b>Remanded to ZAB or LPC</b>                                                  |                      |                       |                   |
|                                                                                |                      |                       |                   |
|                                                                                |                      |                       |                   |
| <b>Notes</b>                                                                   |                      |                       |                   |
|                                                                                |                      |                       |                   |
|                                                                                |                      |                       |                   |
|                                                                                |                      |                       |                   |

10/30/2025

