



Office of the City Manager

Date: November 7, 2024
 To: Budget & Finance Policy Committee
 From: Paul Buddenhagen, City Manager
 Submitted by: Sharon Friedrichsen, Budget Manager
 Subject: FY 2025 Annual Appropriations Ordinance Amendment

RECOMMENDATION

Request that the Budget & Finance Policy Committee:

1. Receive a report on the preliminary Fiscal Year 2024 Year-End financial status and the requested carryover and adjustments for inclusion in the first amendment to the Fiscal Year 2025 Annual Appropriations Ordinance (“AAO1”) and provide recommendations on amendments to AAO1.
2. Authorize staff to present the approved Amendment to the FY 2025 Annual Appropriations Ordinance to the full City Council on November 19, 2024, for consideration and adoption.

BACKGROUND

This is the first meeting scheduled with the Budget & Finance Policy Committee (Committee) to discuss and determine the Amendment to the FY 2025 Annual Appropriation Ordinance (AAO1). A second Committee meeting is scheduled for November 14, 2024 to continue the discussion of the Amendment to the FY 2025 Annual Appropriation Ordinance (AAO1) if needed.

The Annual Appropriations Ordinance (AAO) establishes the expenditure limits by fund for FY 2025 and was adopted on June 25, 2024 (Ordinance No. 7,926–N.S.).

Throughout the year, the City takes actions that amend the adopted budget. These may include, but are not limited to, the acceptance of new grants, revisions to existing grants, adjustments to adopted expenditure authority due to emergency needs and other funding needs that occur after budget adoption, and transfers in accordance with Council’s fiscal policies.

The adopted budget is also amended annually to reflect the re-appropriation of prior year funds for contractual commitments (i.e. encumbrances) as well as unencumbered

carryover of unexpended funds previously authorized for continuation of capital and other specific projects, and for one-time, non-recurring purposes. These budget modifications are periodically presented to the Council in the form of an Ordinance amending the Annual Appropriations Ordinance, which formally requires a two-thirds vote of the City Council.

When Council adopts an appropriations ordinance (budget), it is based on projected revenues and expenditures. If fund balances do not support the requested level of expenditures, no carryover or adjustment is recommended.

Carryover Process

Departments were asked to submit information regarding the reasons for the unencumbered carryover requests to assist staff in determining which funds should be carried into FY 2025. In prior years, funds have been approved for carryover from one year to the next based on funding availability.

Types of Carryover

Encumbrance Rollovers reflect contractual obligations entered into in FY 2024 which had not been paid as of June 30, 2024. Funding for these “encumbered” commitments is brought forward into the current fiscal year to provide for payment of these obligations.

Unencumbered Carryovers reflect the carryover of funding appropriated by the City Council for specific purposes that had not been encumbered by year-end. The carryover for the General Fund are for priority projects. There are also additional carryover requests in nondiscretionary funds. Capital Improvement Funds carryovers are for continuing projects.

Other Adjustments and New Funding Requests

Other Adjustments reflect actions taken by the City Council after the adoption of the FY 2025 budget. It also includes new General Fund supported funding requests by City departments. Citywide, there are other adjustments in nondiscretionary funds and reflect the appropriation of grant funding and the use of available fund balance.

Council Budget Referrals

Throughout the year Councilmembers may refer items to the budget process. Staff in the Office of Budget and Fiscal Services (Budget Office) summarize the requests and present the list of budget referrals to the Committee and the Council for consideration. The Council budget referrals, including pending referrals to be considered by Council on November 12, 2024, are summarized in Attachment 2.

Items Referred to the AAO1 Process

On June 25, 2024, Council adopted the FY 2025 and FY 2026 Biennial Budget and referred several items to the November 2024 AAO1 process and part of the overall discussion for funding allocation. These items are in Attachment 2.

CONCLUSION

The Amendment to the FY 2025 Annual Appropriation Ordinance allows the City to augment the FY 2025 Adopted Budget, re-appropriating funds from FY 2024 to FY 2025 for contractual commitments that need to be paid and revising the budget to reflect approved carryover requests in both discretionary and non-discretionary funds. Staff is presenting carryover recommendations for projects that are either currently under contract, represent Council priorities, and/or are considered critical for ongoing operations. The Amendment to FY 2025 Annual Appropriations Ordinance is scheduled to go to the full City Council for adoption on November 19, 2024.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no identifiable environmental effects or opportunities associated with the act of adopting the budget/appropriations ordinance/amendments. Actions included in the budget will be developed and implemented in a manner that is consistent with the City's environmental sustainability goals and requirements.

CONTACT PERSON

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Maricar Dupaya, Senior Management Analyst, City Manager's Office, 981-7000

Attachment:

1. FY 2024 Departmental Carryover and FY 2025 Adjustment Detail Request – All Funds
2. Summary of General Fund Request including Council Budget Referrals and Items from the FY 2025 & FY 2026 Budget Process and General Fund Balance Calculation
3. GF FY 2024 vs FY 2023 Revenue
4. Budget and Fiscal Policies

Item #	Fund #	Fund Name	Department	Carryover Request	Adjustment Request	Description/Project name	Comments/Justification
1	011	General Fund	City Attorney's Office	317,510		Outside Counsel	Outside Counsel expenses are being incurred to cover for three attorneys on parental leave.
2	011	General Fund	City Clerk		87,958	City Council Agenda Management; Digital Records; Records Online; Birth and Death Records	To help pay for increase in extended OnBase Contract
3	011	General Fund	City Clerk	176,684	94,570	2024 Special Elections additional cost	Carryover to pay for Special Elections additional cost
4	011	General Fund	City Clerk		635,000	2024 General Election additional cost	Additional funding for increase cost for the 2024 General Election
5	011	General Fund	City Manager's Office		501,552	Rodeway Inn Lease Costs	Payments to Rodeway Inn for a low barrier non-congregate shelter for people living in encampments. Approved by Ordinance 7,901-N.S.
6	011	General Fund	City Manager's Office	6,753		Fencing for Civic Center Park	This is to pay an FY24 invoice for the fencing currently up in Civic Center Park due to timing of receipt of invoice.
7	011	General Fund	City Manager's Office	60,000		Toolkit to assist staff communications	Employer of Choice initiative, timing delays in implementation while reseraching products.
8	011	General Fund	City Manager's Office	145,500		Transportation fee/fines analysis for Reimagining Public Safety	To support the early-phase mapping and analysis of Berkeley's fines and fees structures.
9	011	General Fund	City Manager's Office	50,000		Office of Racial Equity	Council Budget referral - Office of Racial Equity: Re-Entry Employment and Guaranteed Income Programs
10	011	General Fund	Fire		19,940	Stryker Lift Chair UC Berkeley	Adjustment to add funds received from UC Berkeley on 7/31/24 to purchase power chair this fiscal year
11	011	General Fund	Fire	227,550		WUI Vegetation Management	Funding for Marina Landscape Contract that was not encumbered autmatically
12	011	General Fund	HHCS	33,990		PGE NEM Charges	Due to delays in invoice processing, PG&E Net Energy Metering True-Up charges were not paid in FY24. Carryforward needed to have sufficient funds to pay for FY24 services in FY25
13	011	General Fund	HHCS	18,284		OnBase upgrade - Konica Minolta	Carryforward needed due to delays in invoice processing. OnBase needed to be upgraded with encryption as per State required specifications
14	011	General Fund	HHCS	15,000		Environmental Health Landscaping Abatement Services	Needed for Landscaping (environmental health hazard abatement) contract that was unable to be executed due to administrative delays
15	011	General Fund	HHCS	48,111		Square One	To support S+C households with rental assistance and flexible funds and support housing retention program meet its HUD service match requirement, which is in jeopardy due to changes in Aging/BMH/LLMC billable rates due to CalAIM implementation. If funds are not approved to carry forward, program will have insufficient funds to support needs and participants may be evicted for non-payment of rent or lack of utilities, a violation of unit habitability.
16	011	General Fund	HHCS	50,000		Hard Hats Ordinance (from social housing uncommitted funds)	Unable to execute in FY24 due to delays in contracting process. Funds must be moved to HCS in order to contract with awarded vendor, The Labor Compliance Managers, in order to carry out scope of work for HARD HATS
17	011	General Fund	HHCS	25,000		Housing Development Consultant Support	Due to delays in contracting process, contract was executed too late in FY24 to encumber funds in time and a carryforward is needed. May not be able to meet timely deliverables for affordable housing goals if not approved.
18	011	General Fund	HHCS	100,000		Street Level Advisors	Carryforward needed to support amended contract agreement that was not encumbered until FY25.
19	011	General Fund	HHCS	51,234		Healthy Black Families Contract	Contract # 32400189 was executed towards the end of FY24 and funds were not fully encumbered in time prior to year-end deadlines. Outreach is critical to ensure that affordable housing seekers, especially those who have already been displaced from Berkeley, are aware of & understand the Preference Policy. There are upcoming BMR properties that will be applying the policy in coming months, and it will be important to do targeted outreach in partnership with Healthy Black Families.
20	011	General Fund	HHCS	137,780		FY24 Community Agency contract amendments	Carryforward needed due to delays in executing FY24 Community Agency contract amendments for the following: Big Oaks/Ephesian, Ecology Center, J-Sei, Suitcase Clinic and Healthy Black Families
21	011	General Fund	HHCS	56,893		FY24 Community Agency contract amendments	Carryforward needed due to delays in executing FY24 Community Agency contract amendments for the following: Berkeley Free Clinic, Multicultural Institute, and Through the Looking Glass
22	011	General Fund	Human Resources	11,800		Indeed Invoice	Invoice for Fire recruitment advertising through Indeed.

Item #	Fund #	Fund Name	Department	Carryover Request	Adjustment Request	Description/Project name	Comments/Justification
23	011	General Fund	Human Resources		50,000	Labor Negotiations	Lengthy negotiations with SEIU Local 1021 CSU/PTRLA and with Local One are necessitating additional expenditures on outside negotiators; also contributing to the increased expenses are multiple information requests by both unions, seeking a broad array of material pertaining to City finances and to bargaining unit composition, wages, and benefit utilization.
24	011	General Fund	Mayor and Council	66,468		FY 2024 Council Carryover	FY24 Council Carryover Amount. Approved by Council through Resolution No. 70,054-N.S.
25	011	General Fund	Non-Departmental		1,043,546	General Fund Transfer to Catastrophic Loss Fund	Revise General Fund Transfer to the Catastrophic Loss Fund to provide additional funds to pay FY 2025 Bay Cities Joint Powers Insurance Authority bill for Liability Program Insurance costs.
26	011	General Fund	Non-Departmental		244,355	FY 2025 Bay Cities Joint Powers Insurance Authority Program Bill	Add additional funds for the FY 2025 Bay Cities Joint Powers Insurance Liability Program Insurance costs for Property Program, APD Program, Crime Program, and Cyber Program insurance costs
27	011	General Fund	Non-Departmental		289,143	Transfer from General Fund to the FUNDS\$ Replacement Fund	Transfer from General Fund to FUNDS\$ Replacement Fund (Fund 503) to pay for personnel expenses that was paid by Fund 503 that should have been expensed out of General Fund starting in July 1, 2023
28	011	General Fund	Office of the Director of Police Accountability	20,000		New Office Furniture (1X Expense)	Need to obtain quote based on approved office location space.
29	011	General Fund	Office of the Director of Police Accountability	20,000		New Office IT Reconfiguration (1X)	Carryover funding to pay for ODPAs IT reconfiguration for their new office
30	011	General Fund	Office of the Director of Police Accountability	20,000		New Office A/V and misc. cost	Tenant Improvement cost (AV)
31	011	General Fund	Office of the Director of Police Accountability	32,076		Stand-alone Website + social media program launch	Stakeholder engagement- 125(14)(m)
32	011	General Fund	Office of the Director of Police Accountability	58,118		VIRTRA-Virtual training simulator (1X Expense)	Training and maintaining confidentiality- 125(14)(m)
33	011	General Fund	Office of the Director of Police Accountability	20,000		Software & Licences for Board Members (1X Expense)	Training and maintaining confidentiality- 125(14)(m)
34	011	General Fund	Office of the Director of Police Accountability	20,000		PAB/Community Training Academy	Training and maintaining confidentiality- 125(14)(m) Stakeholder engagement- 125(14)(m) Beyond line item allocated. To support launch of a civilian academy program (see COPA- https://www.chicagocopa.org/community-outreach/copa-peoples-academy/)
35	011	General Fund	Office of the Director of Police Accountability	12,000		PAB Committee + Training Stipends Adjustments	Board Member Stipends 125(11)(a)
36	011	General Fund	Office of the Director of Police Accountability	25,071		Outreach (Promotional materials)	Stakeholder engagement- 125(14)(m)
37	011	General Fund	Office of the Director of Police Accountability	24,250		Outreach (Community Engagement Meetings)	Stakeholder engagement- 125(14)(m)
38	011	General Fund	Office of the Director of Police Accountability	25,000		Public Safety Pulse Survey	Stakeholder engagement- 125(14)(m)
39	011	General Fund	Parks, Recreation, and Waterfront	140,000		Miyawaki Forest Project	Contract awarded, construction to begin in December 2024.
40	011	General Fund	Parks, Recreation, and Waterfront		149,325	Reimbursement for staffing and maintenance costs associated with BUSD use of James Kenney CC.	BUSD's use of community center facilities associated with Longfellow Middle School. Use in progress.
41	011	General Fund	Parks, Recreation, and Waterfront	24,939		WILLARD CLUBHOUSE RESTROOM REPLCMNT	Carryover FY 2024 funding for the continuation of the Willard Clubhouse Restroom Replacement project.
42	011	General Fund	Parks, Recreation, and Waterfront	4,696,967		D and E Dock Replacement	Carryover FY 2024 funding for the continuation of the D & E Dock Replacement project.
43	011	General Fund	Parks, Recreation, and Waterfront	803,033		Waterfront Dredging	Carryover FY 2024 funding for the continuation of the Waterfront Dredging project.
44	011	General Fund	Parks, Recreation, and Waterfront	40,000		City survey of ballot measures in 2024	Carryover FY 2024 funding (from Vision 2050) to pay for Lake Research Partners for City survey of ballot measures in 2024.
45	011	General Fund	Parks, Recreation, and Waterfront		275,000	Utilities	Unfunded portion of FY 25 utility costs increases.

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46	011	General Fund	Parks, Recreation, and Waterfront		225,000	Fire Fuel	Additional tree and hazardous vegetation removals.
47	011	General Fund	Parks, Recreation, and Waterfront	52,037		African American Holistic Resource Center Carryforward of unspent funds	GF carryforward request to fund African American Holistic Resource Center activities
48	011	General Fund	Parks, Recreation, and Waterfront	800,000		Matching funds to repair deficient tide tubes	Council budget referral - Matching Funds to Repair Eight Deficient Tide Tubes to Avoid Catastrophic Structural Failure and Escalating Construction Costs. Status of grant being awarded to COB will be known in March 2025.
49	011	General Fund	Planning	20,000		BESO Implementation Funds	Unencumbered balance from FY24; project delayed to FY25
50	011	General Fund	Planning	250,000		Rezzone Gilman Street	Unencumbered balance from FY24; Department is ready to utilize
51	011	General Fund	Planning	300,000		Land Use Safety & Env Justice Update	Unencumbered balance from FY24; Department is ready to utilize
52	011	General Fund	Planning	150,000		San Pablo Ave Specific Area Plan	Unencumbered balance from FY24; project is in progress.
53	011	General Fund	Planning	275,215		BART Stations Area Plan	Unencumbered balance from FY24; project is in progress.
54	011	General Fund	Planning	100,000		Transpiration Impact Fee Analysis	Unencumbered balance from FY24; funds have been reallocated to HARDHATS implementation.
55	011	General Fund	Police	40,000			Carryover FY2024 funding to pay for unpaid contract PO invoices in FY 2024 (Stepford, DC Electric, and City of Fairfield)
56	011	General Fund	Public Works		676,807	Stair Center ADA	Carryover FY 2024 funding for the Stair Center ADA project. Construction to being in February 2025.
57	011	General Fund	Public Works	163,306		WBSC Improvements	Carryover FY 2024 funding for the continuation of the WBSC Improvements project, moving into the construction phase
58	011	General Fund	Public Works	1,413,550		EV CHARGING STATION	Carryover FY 2024 funding for the continuation of the EV Charging Station project.
59	011	General Fund	Public Works	154,475		Strawberry Creek Culvert Repairs	Carryover FY 2024 funding for the Strawberry Creek Culvert project
60	011	General Fund	Public Works		60,010	Edgeworth/Comeras in ROW	For Edgeworth contract increase to meet \$850k NT contract.. PW is requesting additional funding for this project.
61	011	General Fund	Public Works	639,990		Edgeworth/Comeras in ROW	For new Edgeworth contract
62	011	General Fund	Public Works	150,000		Oxford/University Corridor Studies	To continue project
63	011	General Fund	Public Works	619,470		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
64	011	General Fund	Public Works	150,000		Ardurra Group Inc. & LCC Engineering & Surveying Inc.,	LLC Engineering & Surveying Svcs, contract #32300082 (staff augmentation)
65	011	General Fund	Public Works	260,000		Staff Augmentation	From FY24 salary saving - To continue site projects for the 5-Year EV Charger Fleet Program while staff is on leave
66	011	General Fund	Public Works	30,000		Yield Signs at Two Unmarked Intersections	Council Budget referral for Yield Signs at Two Unmarked Intersections
67	011	General Fund	Public Works	85,000		Vision Zero Improvements at 6th & Addison Intersection	Council budget referral for Vision Zero Improvements at 6th & Addison Intersection
68	011	General Fund	Public Works		223,500	Turnstone Data Analysts	Requesting general fund allocation due to Parking Meter fund projected deficit - Res.No. 71,054 N.S
	011 Total			13,233,055	4,575,706		
69	016	U1 Housing	Rent Stabilization Board	88,574		Empty Homes Tax Ordinance	Ongoing Empty Homes Tax Ordinance implementation per City Council and Rent Board
	016 Total			88,574	-		
70	104	Library - Friends & Gifts	Library		25,600	Additional Allocation from Friends of the Library	Additional allocation from Friends of the Library for the System Children's Program. MOCHA was free for us until recently. This program has been succesful with Patrons and we are continuing it. Funded from Fund Balance.
	104 Total			-	25,600		
71	111	Fundraising Activities	HHCS		10,000	MOWAC Fund	Meals on Wheels - Operational Needs
72	111	Fundraising Activities	HHCS		3,150	Field Trip Trust Fund - Minnie's Trust Fund	Requesting \$3,150 from Donation fund to purchase tickets to a field trip event for senior center members
	111 Total			-	13,150		

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73	120	Affordable Housing Mitigation	HHCS		200,000	Housing Development Consultant Support	Due to challenges with recruiting for vacancies, additional consultant support for housing development and policy/program work is needed, including work related to both BART station developments, the small sites program, an upcoming HTF Rehab RFP, and project management for HTF projects.
74	120	Affordable Housing Mitigation	HHCS		35,761	Program Manager II	Salary for Requisition #2024-02369, new permanent Program Manager II position to FY25 Revised Budget. It is has been authorized for the adopted budget for FY26 but the position is needed now because of the rapidly growing portfolio of affordable housing work and ongoing challenges filling vacancies within the units leaving them under-staffed.
75	120	Affordable Housing Mitigation	HHCS		17,613	Program Manager II	Benefits for Requisition #2024-02369, new permanent Program Manager II position to FY25 Revised Budget. It is has been authorized for the adopted budget for FY26 but the position is needed now because of the rapidly growing portfolio of affordable housing work and ongoing challenges filling vacancies within the units leaving them under-staffed.
	120 Total			-	253,374		
76	125	Playground Camp	Parks, Recreation, and Waterfront	2,200		Watershed Progressive	Carryover FY 2024 FOBTC donations for the Watershed Progressive Project
77	125	Playground Camp	Parks, Recreation, and Waterfront	162,768		Echo Lake Camp ADA Improvement	Carryover FY 2024 funding for the Echo Lake Camp ADA Improvement
78	125	Playground Camp	Parks, Recreation, and Waterfront	51,177		Various	Carryover FY 2024 capital funding for various PRW capital projects for continuation of these projects in FY 2025.
	125 Total			216,146	-		
79	126	Proposition 172	Police		1,199,834	DNA testing, crime lab costs, telephone service costs	Increased DNA testing contract costs including the cost of Cold-Case Sexual Assault Exams, crime labs, and telephone services
	126 Total			-	1,199,834		
80	127	State Transportation Tax	Public Works	270,155		Retaining Wall & Storm Drain Repair	Carryover FY 2024 funding for the Retaining Wall & Storm Drain Repair project
81	127	State Transportation Tax	Public Works		2,200,000	Strawberry Creek Culvert Repairs	New appropriation in FY 2025 for Strawberry Creek Culvert Repairs project
82	127	State Transportation Tax	Public Works	83,606		FY 2022 Street Rehab	Carryover FY 2024 funding for the continuation of the FY 2022 Street Rehab Project
83	127	State Transportation Tax	Public Works	827,827		Street Rehab FY 2023	Carryover FY 2024 funding for the continuation of the Street Rehab FY 2023 Rehab project
84	127	State Transportation Tax	Public Works	2,776,476		Street Rehab FY 2024	Carryover FY 2024 funding for the continuation of the Street Rehab FY 2024 project
85	127	State Transportation Tax	Public Works	47,537		STREET REHAB FY24	Carryover FY 2024 funding to continue the project in the construction phase
86	127	State Transportation Tax	Public Works	51,000		FY 2025 Street Maintenance and Rehabilitation Project	Carryover FY 2024 funds for the FY 2025 Street Maintenance and Rehabilitation Project
87	127	State Transportation Tax	Public Works	107,935		SIDEWALK SHAVING - FY2020	Carryover FY 2024 funding to complete the project
88	127	State Transportation Tax	Public Works	200,000		FY2024 Sidewalk Repairs Program	Carryover FY 2024 funding for the continuation of the FY 2024 Sidewalk repairs Program
89	127	State Transportation Tax	Public Works	100,000		T1 Phase 2 Bollards	Carryover FY 2024 funding for Construction change order and invoices

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90	127	State Transportation Tax	Public Works	50,000		Various Capital Projects	Carryover FY 2024 funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
	127 Total			4,514,536	2,200,000		
91	128	CDBG	Public Works	1,075,311		WBSC Improvements	Carryover FY 2024 funding for the continuation of the WBSC Improvements project, moving into the construction phase
	128 Total			1,075,311	-		
92	130	Measure B - Local Streets & Roads	Public Works	1,380,537		Street Rehab FY 2024	Carryover FY 2024 funding for the continuation of the Street Rehab FY 2024 project
93	130	Measure B - Local Streets & Roads	Public Works		750,000	Street Rehab FY 2025	Appropriate Measure B Funds for the FY 2025 Street Rehab project
94	130	Measure B - Local Streets & Roads	Public Works	127,608		FY 2025 Street Maintenance and Rehabilitation Project	Carryover FY 2024 funds for the FY 2025 Street Maintenance and Rehabilitation Project
95	130	Measure B - Local Streets & Roads	Public Works	65,000		Southside Complete Streets	Carryover FY 2024 project budget for the continuation of the Southside Complete Streets project
96	130	Measure B - Local Streets & Roads	Public Works	657,699		Various Capital Projects Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
97	130	Measure B - Local Streets & Roads	Public Works	534,039		Woolsey-Eton Traffic Calming	Carryover FY 2024 funding for the continuation of the Woolsey-Eton Traffic Calming project
	130 Total			2,764,883	750,000		
98	131	Meas B - Bike and Pedestrian	Public Works	15,767		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
	131 Total			15,767	-		
99	133	Measure F - Alameda County VRF Streets and Roads	Public Works	155,000		Street Rehab FY 2024	Carryover FY 2024 funding for the continuation of the Street Rehab FY 2024 project
100	133	Measure F - Alameda County VRF Streets and Roads	Public Works	300,000		FY2024 Sidewalk Repairs Program	Carryover FY 2024 funding for the continuation of the FY 2024 Sidewalk repairs Program
101	133	Measure F - Alameda County VRF Streets and Roads	Public Works	35,227		T1 Phase 2 Bollards	Carryover FY 2024 funding for Ongoing project
102	133	Measure F - Alameda County VRF Streets and Roads	Public Works	283,011		T1 Streets Project	Carryover FY 2024 funding for Ongoing project
103	133	Measure F - Alameda County VRF Streets and Roads	Public Works	1,260,000		T1 Streets Project	Carryover FY 2024 funding for Ongoing project
104	133	Measure F - Alameda County VRF Streets and Roads	Public Works	66,922		T1 PH 2 Sidewalk Mtc & Safety Rep	Carryover FY 2024 funding for the continuation of the construction phase of the T1 PH 2 Sidewalk Mtc & Safety Rep project

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105	133	Measure F - Alameda County VRF Streets and Roads	Public Works	15,000		MLK JR Vision Zero Quick Build	Carryover FY 2024 funding for the MLK JR Vision Zero Quick Build project
106	133	Measure F - Alameda County VRF Streets and Roads	Public Works	39,950		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
	133 Total			2,155,110	-		
107	134	Measure BB - Local Streets & Roads	Public Works	115,000		Strawberry Creek Culvert Repairs	Carryover FY 2024 funding for the Strawberry Creek Culverts project
108	134	Measure BB - Local Streets & Roads	Public Works	164,892		FY 2022 Street Rehab	Carryover FY 2024 funding for the continuation of the FY 2022 Street Rehab Project
109	134	Measure BB - Local Streets & Roads	Public Works	3,501,709		Street Rehab FY 2024	Carryover FY 2024 funding for the continuation of the Street Rehab FY 2024 project
110	134	Meas BB - Local Streets and Rd	Public Works	74,400		STREET REHAB FY24	Carryover FY 2024 funding to continue the project in the construction phase
111	134	Measure BB - Local Streets & Roads	Public Works	36,150		LA LOMA SW Replacement	Carryover FY 2024 funding for the continuation of the La Loma SW Replacement project.
112	134	Measure BB - Local Streets & Roads	Public Works	851,687		FY2024 Sidewalk Repairs Program	Carryover FY 2024 funding for the continuation of the FY 2024 Sidewalk repairs Program
113	134	Measure B Bike & Ped	Public Works	251,533		T1 Phase 2 Bollards	Carryover FY 2024 funding for Ongoing project
114	134	Meas BB - Local Streets and Rd	Public Works		50,000	T1 PH 2 BOLLARDS	
115	134	Measure BB - Local Streets & Roads	Public Works	106,921		MLK JR Vision Zero Quick Build	Carryover FY 2024 funding for the MLK JR Vision Zero Quick Build project
116	134	Measure BB - Local Streets & Roads	Public Works	289,750	358,968	Southside Complete Streets	Carryover FY 2024 project budget for the continuation of the Southside Complete Streets project
117	134	Measure BB - Local Streets & Roads	Public Works	40,000		University Avenue Bus Stop	Carryover FY 2024 funding for the continuation of the University Avenue Bus Stop Project
118	134	Measure BB - Local Streets & Roads	Public Works	21,593		Vision Zero	Carryover FY 2024 funding for the Vision Zero project
119	134	Meas BB - Local Streets and Rd	Public Works	75,000		Traffic Calming	
120	134	Measure BB - Local Streets & Roads	Public Works	115,217		I-80 Gilman Interchange Phase 2	Carryover FY 2024 funding for the continuation of the I-80 Gilman Interchange Phase 2 project.
121	134	Meas BB - Local Streets and Rds	Public Works	1,453,642		Various Capital Projects	
122	134	Measure BB - Local Streets & Roads	Public Works		85,000	Hopkins Bike & Pedestrian	New appropriation in FY 2025 for Hopkins Bike & Pedestrian project
	134 Total			7,097,494	493,968		
123	135	Meas BB - Bike and Pedestrian	Public Works		114,316	NB BART/Sacramento Complete ST	To continue the project
124	135	Meas BB - Bike and Pedestrian	Public Works		9,027	Ohlone Greenway & Safety project	To continue the project

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125	135	Meas BB - Bike and Pedestrian	Public Works	139,595		Addison Bike Blvd	Carryover FY 2024 to continue project
126	135	Measure BB - Bike & Pedestrian	Public Works	15,450		MLK JR Vision Zero Quick Build	Carryover FY 2024 funding for the MLK JR Vision Zero Quick Build project
127	135	Meas BB - Bike and Pedestrian	Public Works	472,485		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
	135 Total			627,530	123,343		
128	136	MEAS BB - PARATRANSIT	HHCS		120,000	Taxi Scrip/BRSD/GoGo Technologies	To cover taxi scrip reimbursement and GoGo Technologies contract through FY25
	136 Total			-	120,000		
129	137	One-Time Funding	HHCS		303,000	Opioid Prevention Program	Outreach and education for opioid prevention in the high school setting. Funding made available through National Opioid Settlement funds.
130	137	One-Time Funding	Public Works	50,000		Street Rehab FY 2023	Carryover FY 2024 funding for the continuation of the Street Rehab FY 2023 Rehab project
131	137	One Time Funding	Public Works		16,800	Friends of the Fountain Walk contribution	To appropriate Friends of the Fountain Walk contribution
	137 Total			50,000	319,800		
132	138	Parks Tax	Parks, Recreation, and Waterfront	820,538		Civic Center Fountain Garden	Carryover FY 2024 funds for the Civic Center Fountain Garden project
133	138	Parks Tax	Parks, Recreation, and Waterfront	107,755		600 Addison Project	Carryover FY 2024 funding for the continuation of the 600 Addison Project
134	138	Parks Tax	Parks, Recreation, and Waterfront	33,500		FY24 Parks Minor Maintenance	Carryover FY 2024 funds to restore the Affordable Painting contract
135	138	Parks Tax	Parks, Recreation, and Waterfront	153,001		Court Resurfacing Project	Carryover for Court Resurfacing project to process a change order for First Serve.
136	138	Parks Tax	Parks, Recreation, and Waterfront	92,279		GROVE PARK PHASE 2	Carryover FY 2024 funding for the continuation of the Grove Park Phase 2 project.
137	138	Parks Tax	Parks, Recreation, and Waterfront	403,376		Tom Bates Restroom/ Community Space	Project is in design.
138	138	Parks Tax	Parks, Recreation, and Waterfront	1,793,321		Various	Carryover FY 2024 capital funding for various PRW capital projects for continuation of these projects in FY 2025.
	138 Total			3,403,771	-		
139	139	Street and Open Street Impr	Public Works	200,000		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
	139 Total			200,000	-		
140	142	Street Lighting	Public Works	94,162	150,000	STREETLIGHT MAINTENANCE FY 2022	Carryover FY 2024 funding to complete the project
141	142	Street Lighting	Public Works	610,792		FY23 Streetlight Pole Replacement	Carryover FY 2024 funding for pole replacement work throughout the City
142	142	Street Lighting	Public Works	20,800		MLK JR Vision Zero Quick Build	Carryover FY 2024 funding for the MLK JR Vision Zero Quick Build project
	142 Total			725,754	150,000		
143	145	Bayer (Miles Lab)	Parks, Recreation, and Waterfront	49,613		Trees Make Life Better	Carryover of Bayer Funds for Rx Lodge Contract
	145 Total			49,613	-		
144	147	UC Settlement	Public Works	223,309		Piedmont/Channing Traffic Circle Ped/St.	
145	147	UC Settlement	Public Works	260,000		Restrooms in the Right of Way 2-3 (ROW)	Carryover FY 2024 funding for the continuation of the Restrooms in the Right of Way 2-3 (ROW) project.
146	147	UC Settlement	Public Works	817,433		Southside Complete Streets	Carryover FY 2024 funding for the continuation of the Southside Complete Streets project
	147 Total			1,300,742	-		
147	148	Cultural Trust	City Manager's Office		687,632	Various public art projects	These funds - generated from fees paid by private developers in lieu of implementing on-site public art per the Public Art on Private Development policy - are used to finance public art projects throughout the City. There are a number of pending Public Art projects to utilize this funding.
	148 Total			-	687,632		
148	149	Private Sidewalk	Public Works	780,001		FY2024 Sidewalk Repairs Program	Carryover FY 2024 funding for the continuation of the FY 2024 Sidewalk repairs Program

Item #	Fund #	Fund Name	Department	Carryover Request	Adjustment Request	Description/Project name	Comments/Justification
149	149	Private Sidewalk	Public Works	100,000		T1 Phase 2 Bollards	Carryover FY 2024 funding for ongoing project
150	149	Private Sidewalk	Public Works	25,000		T1 PH 2 Sidewalk Mtc & Safety Rep	Carryover FY 2024 funding for the continuation of the construction phase of the T1 PH 2 Sidewalk Mtc & Safety Rep project
	149 Total			905,001	-		
151	150	Public Art	City Manager's Office		66,500	Various public art projects	Funds for various art projects throughout the City
	150 Total			-	66,500		
152	156	Health State Aid Realignment	HHCS		36,020	Third Wave Contract Amendment	Upgrade of Electronic Health Record system at the Berkeley High School Health Center needed to meet reporting and billing requirements
153	156	Health State Aid Realignment	HHCS		500,000	NextGen HER Replacement	Essential EHR replacement for High School Health Center
154	156	Health State Aid Realignment	HHCS		18,997	PH FY25 Internal Services Charges - Tech Allocation	FY25 PH Tech Allocation Internal Services Charges. Division charges were incorrectly budgeted to TCM program budget.
155	156	Health State Aid Realignment	HHCS		38,409	PH FY25 Internal Services Charges - 1947 Center St Fac Main	FY25 PH 1947 Center Street Facilities Maintenance Internal Services Charges. Division charges were incorrectly budgeted to TCM program budget.
156	156	Health State Aid Realignment	HHCS		168,524	New PH Position Personnel Allocations - PCN #2024-02141 (SSS) & #2024-02142 (SSS)	New PH Position Personnel Allocations - PCN #2024-02141 (SSS) & #2024-02142 (SSS)
	156 Total			-	761,950		
157	159	Citizens Options	Police		150,000	Under cover vehicle contract, On-call Phlebotomists contract	Continue various contracts for support of police operations
	159 Total			-	150,000		
158	305	Capital Grants - Federal	Public Works	21,769		Southside Complete Streets	Carryover FY 2024 funding for the continuation of the Southside Compete Streets project
	305 Total			21,769	-		
159	306	Capital Grants - State	Public Works	138,223		University Bus Stop	Carryover FY 2024 funding to continue project
160	306	Capital Grants - State	Public Works		148,983	Parker - Addison Bikeway	Carryover FY 2024 funding to continue project
161	306	Capital Grants - State	Public Works	2,143,665		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
	306 Total			2,281,888	148,983		
162	307	Capital Grants - Local	Parks, Recreation, and Waterfront	5,139,000		Pier/Ferry Project	Carryover of ACTC Funds for Pier Ferry Project
163	307	Capital Grants - Local	Public Works	738,876		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
	307 Total			5,877,876	-		
164	309	OTS DUI Enforcement	Police		353,000	Office of Traffic Safety Grant	2024 OTS Grant (PT24016) Grant continues in FY25 & New 2025 OTS Grant
	309 Total			-	353,000		
165	310	Home	HHCS		1,199,834	HOME Grant Award	FY25 Confirmed grant amount (Revenue)
166	310	Home	HHCS		428,028	HOME Grant Award	FY25 Difference of confirmed award and estimate
	310 Total			-	1,627,862		
167	311	ESG	HHCS		237,965	ESG Grant Award	FY25 Confirmed grant amount (Revenue)
	311 Total			-	237,965		
168	312	HEALTH (GENERAL)	HHCS		78,759	WIC Contract Amendment #4 (A04) + #5 (A05)	WIC (Women, Infants & Children) Program Contract Amendment #4 & #5 Personnel Budget increase (off-cycle 10/1 - 9/30)
	312 Total			-	78,759		
169	313	Target Case Mgmt/Linkages	HHCS		289,011	Persimmony Contract NTE	Persimmony Contract NTE, Reso #71,028-N.S.
	313 Total			-	289,011		
170	320	SR. NUTRITION (TITLE III)	HHCS		20,572	C2 Meals on Wheels Grant	FY25 grant approved allocation
	320 Total			-	20,572		
171	327	Sr. Supportive Social Serv	HHCS		54,649	Information & Assistance Grant	FY25 grant approved allocation
	327 Total			-	54,649		

Item #	Fund #	Fund Name	Department	Carryover Request	Adjustment Request	Description/Project name	Comments/Justification
172	328	FAMILY CARE SUPPORT PROG	HHCS		55,318	Family Caregiver Support Grant	FY25 grant approved allocation
173	328	FAMILY CARE SUPPORT PROG	HHCS		15,538	Senior Center Activities	FY25 grant approved allocation
	328 Total			-	70,856		
174	329	CA INTEGRATED WASTE MGMT	Public Works	17,062		Used Oil Program	Carryover Used Oil award to pay for outstanding invoices
	329 Total			17,062	-		
175	331	Housing Mitigation	HHCS		52,232	Northern California Land Trust	The property at 2321 10th street requires urgent health and safety related repairs. The developer plans to begin rehabilitation work in Fall of 2024. If the funds are not available and the project will not go forward and occupants will be negatively impacted.
	331 Total			-	52,232		
176	334	CSBG	HHCS		7,000	Additional discretionary funds provided by CSBG for CY24 award. Amendment #2	Additional discretionary funds provided by CSBG for CY24 award. Amendment #2
	334 Total			-	7,000		
177	336	One-Time Grant	City Manager's Office		15,000	California For All Animals Grant	Appropriate funds for the California For All Animals Grant for supplies for unhoused animals. Approved by Council on 1/16/24 through Resolution No. 71,153-N.S.
178	336	One-Time Grant	City Manager's Office		5,395,637	ERF-3 Grant from State of California	This is a new State of California grant for master leasing the Howard Johnson motel as shelter. Grant was awarded by the State on 9/27/24
179	336	One-Time Grant	City Manager's Office		1,070,386	1619 University Avenue Campus Motel	Appropriate State of California Encampment Resolution Funds for the lease at 1619 University Avenue (Campus Motel, LLC) for the purpose of establishing a homeless shelter. Approved by Council on 7/11/23 through Ordinance No. 7,881-N.S.
180	336	One-Time Grant	Fire	100,000	348,000	CalFire (State) Grant	Carry Forward from FY2024 (Total Grant Award is \$448,000) Project Number FDEBRP2024 and adding in the balance of the grant of \$348k
181	336	One-Time Grant	HHCS		180,000	CCMU Additional Funding Allocation	CCMU Additional Funding Allocation, Reso #70,222-N.S.; \$70,000 of \$250,000 new allocation AAO'd in FY24, seeking remaining \$180,000 of allocation in FY25
182	336	One-Time Grant	HHCS		64,814	STD DIS Grant	FY25 grant approved allocation
183	336	One-Time Grant	HHCS		1,456,627	Insight Housing - Super 8 Motel -	Currently, Insight Housing is advancing the Dwight Way Construction project, which has incurred \$700,000 in expenses and pending COB payments. At present, Insight has enough operating cash to cover one month of operations in the event that they do not receive any payments from COB invoices.
184	336	One-Time Grant	Non-Departmental		100,000	San Francisco Foundation grant to support the Equitable Black Berkeley Initiative	Appropriate grant fund from the San Francisco Foundation to pay for expenses supporting the Equitable Black Berkeley Initiative. Approved by Council on June 25, 2024 Resolution No. 71,425-N.S.
185	336	One-Time Grant	Parks, Recreation, and Waterfront	3,000,000		Pier/Ferry Project	Carryover of WETA Funds for Pier Ferry Project
186	336	One-Time Grant	Parks, Recreation, and Waterfront	229,534	87,503	Urban Greening Program	Carryover and Adjustment to complete Urban Greening tree planting program.
187	336	One-Time Grant	Parks, Recreation, and Waterfront	410,321		Civic Center Fountain Garden	Carryover FY 2024 funds for the Civic Center Fountain Garden project
188	336	One-Time Grant	Parks, Recreation, and Waterfront	4,038,303		Santa Fe Right-of-Way	Carryover FY 2024 capital funding for various PRW capital projects for continuation of projects in FY 2025.
189	336	One-Time Grant	Parks, Recreation, and Waterfront		134,468	Trees Make Life Better	Adjustment to complete the Trees Make Life Better grant activities.
190	336	One-Time Grant	Planning	282,000		OPR Adaptation Planning Grant Program Grant	Carryover FY 2024 OPR Grant balance; projects are in progress
191	336	One-Time Grant	Police		112,000	CHP Cannabis Tax Fund Grant	New Cannabis Grant FY24-25
192	336	One-Time Grant	Police		170,000	DOJ Tobacco Grant	Grant continues in FY 2025

Item #	Fund #	Fund Name	Department	Carryover Request	Adjustment Request	Description/Project name	Comments/Justification
193	336	One-Time Grant	Police		60,000	BSCC Wellness and Mental Health Grant	Grant continues in FY 2025
194	336	One-Time Grant	Public Works	172,865		RRFB @ Shattuck/Berkeley Way	Carryover FY 2024 funds for the RRFB @ Shattuck/Berkeley Way
195	336	One-time Grant:No Cap	Public Works	15,000		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
196	336	One Time Grant	Public Works		174,290	PSB HVAC Repl & FS#6 Window Repl	Appropriate funding for Energy Efficiency and Conservation Block Grant
197	336	One Time Grant	Public Works		250,000	W.Berkeley Aquatic Park SD Imprv	Appropriate funding for EPA \$1.5M grant - FY25 appropriation \$250K
198	336	One Time Grant	Public Works	328,023		SB1383 Local Assistance Grant	Carryover FY24 funding to divert material that commercial generators would have otherwise composted.
	336 Total			8,576,046	9,618,725		
199	339	MTC	Public Works	22,552		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
	339 Total			22,552	-		
200	340	FEMA	Fire		15,667	FEMA FY20 AFG Grant Cost Share Amount	Payment from Fire Nuggets Deposited for FY20 AFG Grant Cost Share Project Number FDFAFG20
201	340	FEMA	Fire		4,321	FEMA FY22 AFG Grant	Replace Funds used for FEMA AFG FY 20 Grant Project Number FDFAFG22
202	340	FEMA	Fire		1,449,664	FEMA FY24 SAFER Grant- Wages	SAFER Grant Salaries for (9) FF, year 1
203	340	FEMA	Fire		1,045,370	FEMA FY24 SAFER Grant- Benefits	SAFER Grant Benefits for (9) FF, year 1
204	340	FEMA	Parks, Recreation, and Waterfront		15,706	MLK Youth Services Center Renovation	Project is in final design.
	340 Total			-	2,530,728		
205	343	City County Beverage Payment Program	Public Works	31,213		City County Beverage Payment Program	Carryover funding for the Water Refill Stations for Parks & Recreation locations throughout Berkeley
	343 Total			31,213	-		
206	344	CalTrans Grant	Public Works	8,637		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
	344 Total			8,637	-		
207	349	JAG Grant	Police		50,000	Justice Assistance Grant	Grant continues in FY 2025
	349 Total			-	50,000		
208	501	CIP Fund	Finance	946,400		ERMA AR/GB	Bus Lic /Tax Assess Replacement Funding to be used for ERMA AR/GB
209	501	CIP Fund	Parks, Recreation, and Waterfront	2,258		Pool Renovations Project	Carryover for the Pool Renovations Project
210	501	CIP Fund	Parks, Recreation, and Waterfront	36,454		D and E Dock Replacement	Carryover FY 2024 funding for the continuation of the D & E Dock Replacement project.
211	501	CIP Fund	Parks, Recreation, and Waterfront	4,350		Cesar Chavez Park-New Restroom	Carryover FY 2024 funding for the continuation of the Cesar Chavez Park-New Restroom project.
212	501	CIP Fund	Parks, Recreation, and Waterfront	160,600		B&C Restroom ADA Improvements	Carryover for the B&C Restroom ADA Improvements project
213	501	CIP Fund	Parks, Recreation, and Waterfront	58,500		Echo Lake ADA Project	Carryover funding as project is in construction.
214	501	CIP Fund	Parks, Recreation, and Waterfront	8,833		Various	Carryover FY 2024 capital funding for various PRW capital projects for continuation of these projects in FY 2025.
215	501	CIP Fund	Public Works	74,198		CY LIFT PITS-BLDG G	Carryover FY 2024 funding for the continuation of the CY LIFT PITS-BLDG G project
216	501	CIP Fund	Public Works	168,492		NBSC Upgrades - Kitchen & Data	Carryover FY 2024 funding for the NBSC Upgrades - Kitchen & Data project
217	501	CIP Fund	Public Works	505,381		CONTROL SYSTEMS UPGRADES- PSB JAIL	Carryover FY 2024 funding for the continuation of the Control Systems Upgrades - PSB Jail project
218	501	CIP Fund	Public Works	112,765		2180 MILVIA CARPET REPLACEMENT, PH3	Carryover FY 2024 funding for the continuation of the 2180 Milvia Carpet Replacement Phase 3 project
219	501	CIP Fund	Public Works	344,294		Stair Center ADA	Carryover FY 2024 funding for the Stair Center ADA project
220	501	CIP Fund	Public Works	100,000		EBCE SOLAR & STORAGE AT FS#3	Carryover FY 2024 funding for the continuation of the EBCE Solar and Storage project at FS#3

Item #	Fund #	Fund Name	Department	Carryover Request	Adjustment Request	Description/Project name	Comments/Justification
221	501	CIP Fund	Public Works	1,049,232		EV CHARGING STATION	Carryover FY 2024 funding for the continuation of the EV Charging Station project.
222	501	CIP Fund	Public Works	49,459		Retaining Wall & Storm Drain Repair	Carryover FY 2024 funding for the Retaining Wall & Storm Drain Repair project
223	501	CIP Fund	Public Works	1,135,831		Strawberry Creek Culvert Repairs	Carryover FY 2024 funding for the Strawberry Creek Culvert project
224	501	CIP Fund	Public Works	267,908		FY 2022 Street Rehab	Carryover FY 2024 funding for the FY 2022 Street Rehab project
225	501	CIP Fund	Public Works	6,093,117		Street Rehab FY 2024	Carryover FY 2024 funding for the continuation of the Street Rehab FY 2024 project
226	501	CIP Fund	Public Works	715,090		FY 2025 Street Maintenance and Rehabilitation Project	Carryover funding for the FY 2025 Street Maintenance and Rehabilitation Project
227	501	CIP Fund	Public Works	87,125		FY2024 Sidewalk Repairs Program	Carryover FY 2024 funding for the continuation of the FY 2024 Sidewalk repairs Program
228	501	CIP Fund	Public Works	38,570		MLK JR Vision Zero Quick Build	To continue the project in the construction phase
229	501	CIP Fund	Public Works	1,674,667		Southside Complete Streets	Carryover FY 2024 funding for the continuation of the Southside Complete Streets project
230	501	CIP Fund	Public Works	3,774,877		TELEGRAPH/CHANNING ELEVATOR UPGRADE	To continue the project into the construction phase
231	501	CIP Fund	Public Works	102,060		Traffic Calming	To continue project
232	501	CIP Fund	Public Works	199,650		Hopkins St. Corridor	To continue project
233	501	CIP Fund	Public Works	199,400		T1 Phase 2 Bollards	Carryover FY 2024 funding for ongoing project
234	501	CIP Fund	Public Works	168,492		NBSC UPGRADES - KITCHEN & DATA	For construction contract
235	501	CIP Fund	Public Works	121,818		PSB BICYCLE BUNKER ROOF REPAIR	To continue the project
236	501	CIP Fund	Public Works	15,019		Woolsey-Eton Traffic Calming	Carryover FY 2024 funding for the continuation of the Woolsey-Eton Traffic Calming project
237	501	CIP Fund	Public Works	50,000		SIDEWALK SHAVING - FY2020	To complete the project
238	501	CIP Fund	Public Works	150,000		T1 Streets Project	To continue the project
239	501	CIP Fund	Public Works	247,083		FIRE STATION #6 IMPRVMENTS	To continue the project
240	501	CIP Fund	Public Works	1,027,814		Various Capital Projects	Carryover FY 2024 capital funding for various PW capital projects for continuation of projects in FY 2025
241	501	CIP Fund	Public Works	148,218		T1 Streets Project (ADA)	Carryover FY 2024 ADA Implementation funding to continue in FY 2025
242	501	CIP Fund	Public Works	203,054		Fire Station #2	To continue the project
243	501	CIP Fund	Public Works		440,000	Milvia Stairwell Tower Windows	Emergency amendment for additional scope to remediate flaking paint and repaint interior perimeter walls at 2180 Milvia Street
244	501	CIP Fund	Public Works	60,000		Bike Station Payment to BART	Carryover to pay past due payments to BART in FY 2024.
	501 Total			20,101,009	440,000		
245	504	PEG Access Facilities	IT		267,210	Berkeley Community Media	To pay for Contract # 32400019 Public Access Television - Berkeley Community Media
	504 Total			-	267,210		
246	506	Measure M	Public Works	305,280		Retaining Wall & Storm Drain Repair	Carryover FY 2024 funding for the Retaining Wall & Storm Drain Repair project
247	506	Measure M	Public Works	8,000		Strawberry Creek Culvert Repairs	Carryover FY 2024 funding for the Strawberry Creek Culvert project
248	506	Measure M	Public Works	115,000		LA LOMA SW Replacement	Carryover FY 2024 funding for the continuation of the La Loma SW Replacement project.
249	506	Measure M	Public Works	194,475		T1 Phase 2 Pathway Repairs	Carryover FY 2024 funding for the T1 Phase 2 Pathways Project
250	506	Measure M	Public Works	99,004		Woolsey-Eton Traffic Calming	Carryover FY 2024 funding for the continuation of the Woolsey-Eton Traffic Calming project
	506 Total			721,759	-		
251	511	Measure T1	City Manager's Office	204,500		Various public art projects	Carryover FY 2024 funding for various art projects
252	511	Measure T1	Parks, Recreation, and Waterfront	1,014,220		Civic Center Fountain Garden	Carryover FY 2024 funds for the Civic Center Fountain Garden project
253	511	Measure T1	Parks, Recreation, and Waterfront	6,112,894		MLK Youth Services Center	Project is in design.
254	511	Measure T1	Parks, Recreation, and Waterfront	7,664,531		African American Holistic Resource	Carryover FY 2024 funding for the African American Holistic Resource Center Project

Item #	Fund #	Fund Name	Department	Carryover Request	Adjustment Request	Description/Project name	Comments/Justification
255	511	Measure T1	Parks, Recreation, and Waterfront	16,508		CAZADERO DINING HALL & ADA IMPRVMTS	
256	511	Measure T1	Parks, Recreation, and Waterfront	715,794		WILLARD CLUBHOUSE RESTROOM RPLCMNT	Carryover FY 2024 funding for the continuation of the Willard Clubhouse Restroom Replacement project.
257	511	Measure T1	Parks, Recreation, and Waterfront	1,480,931		Tom Bates Restroom/ Community Space	Project is in design.
258	511	Measure T1	Parks, Recreation, and Waterfront	146,975		Harrison Park - Restroom Renovation	Project is in design.
259	511	Measure T1	Parks, Recreation, and Waterfront	1,069,097		Ohlone Park - Restroom and Lighting	Carryover FY 2024 funding for Ohlone Park - Restroom and Lighting Project
260	511	Measure T1	Parks, Recreation, and Waterfront	10,001		King Pool Tile And Plaster Replacement	Post-construction costs.
261	511	Measure T1	Parks, Recreation, and Waterfront	167,888		D and E Dock Replacement	Carryover FY 2024 funding for the continuation of the D & E Dock Replacement project.
262	511	Measure T1	Parks, Recreation, and Waterfront	368,079		K Dock Restroom Renovation	Project is in design.
263	511	Measure T1	Parks, Recreation, and Waterfront	459,110		Cesar Chavez Park-New Restroom	Carryover FY 2024 funding for the continuation of the Cesar Chavez Park-New Restroom project.
264	511	Measure T1	Public Works	545,573		Restrooms in the Right of Way 2-3 (ROW)	Carryover FY 2024 funding for the continuation of the Restrooms in the Right of Way 2-3 (ROW) project.
265	511	Measure T1	Public Works	1,202,659		1947 Center Street Improvements	Carryover FY 2024 funding for the 1947 Center Street Improvements project
266	511	Measure T1	Public Works	115,000		T1 Phase 2 Bollards	Carryover FY 2024 funding for ongoing project
267	511	Measure T1	Public Works	146,125		T1 PH 2 Sidewalk Mtc & Safety Rep	Carryover FY 2024 funding for the continuation of the construction phase of the T1 PH 2 Sidewalk Mtc & Safety Rep project
268	511	Measure T1	Public Works	25,875		FIRE STATION #6 IMPRVMTS	Ongoing project for Fire Station #6
269	511	Measure T1	Public Works	1,265,750		Fire Station #2	Ongoing project going to bid out for construction
270	511	Measure T1	Public Works	271,416		Oxford/Telegraph Channing Garage Restroom project	Ongoing project going out to bid-funds needed for contract
271	511	Measure T1	Public Works	191,028		CY Improv- Wash Station	Ongoing project going out to bid-funds needed for contract
272	511	Measure T1	Public Works	1,276,583		CY- BLDG B - Green Room Project	Ongoing project
273	511	Measure T1	Public Works	99,872		CY-IMPROV- Deferred Mtc.	Ongoing project
274	511	Measure T1	Public Works	622,070		CY- BDG H - Roof Repair	Ongoing project
275	511	Measure T1	Public Works	127,321		South Berkeley Senior Center	Ongoing project
276	511	Measure T1	Public Works	3,950,000		T1 Streets	Ongoing project
277	511	Measure T1	Public Works	93,299		T1 Phase 2 Pathways Repairs	Carryover FY 2024 funding for the T1 Phase 2 Pathways Project
	511 Total			29,363,099	-		
278	512	Measure O - AFFORDABLE HOUSING	HHCS		2,000,000	BUSD Workforce Housing Development	Council will consider adding \$2M to the existing funding reservation for the BUSD Workforce Housing Development at their October 29th meeting. If approved, the project will close its City loan by February 2025. The funds will likely come from the next (2025) issuance of Measure O.
	512 Total			-	2,000,000		
279	601	Zero Waste	Public Works	6,295		Transfer Station Tipping Floor Emergency Repairs	Carryover FY 2024 funding for the Transfer Station Tipping Floor Emergency Repairs Project
280	601	Zero Waste	Public Works		67,429	Reclass vacant Field Representative to Program Manager I	To reclass vacant Field Representative to Program Manager I to manage compliance at the Closed Landfill and support the Transfer Station rebuild project
281	601	Zero Waste	Public Works	174,036		Closed Landfill Monitoring	Carryover FY24 funding for Past Due FY 2024 invoices SCS Engineering contract closed landfill monitoring
282	601	Zero Waste	Public Works		1,073,907	Closed Landfill Monitoring	Appropriate funding for Past Due FY 2024 invoices SCS Engineering contract/ increased monitoring FY 2025
283	601	Zero Waste	Public Works		603,196	Clean Cities Transfer Station dump fees	Appropriate funding for Out of period charges from prior fiscal years consumed FY 2025 budget.
	601 Total			180,331	1,744,532		
284	606	MAR - COASTAL CONSERVANCY	Parks, Recreation, and Waterfront	4,305,347		D and E Dock Replacement	Carryover FY 2024 funding for the continuation of the D & E Dock Replacement project.
285	606	MAR - COASTAL CONSERVANCY	Parks, Recreation, and Waterfront	936,000	221,733	South Cove West Parking	Carryover FY 2024 funding and appropriate additional funding for the South Cove West Parking Project

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286	606	MAR - COASTAL CONSERVANCY	Parks, Recreation, and Waterfront	4,462,920		Waterfront Dredging	Carryover FY 2024 funding for the continuation of the Waterfront Dredging project.
287	606	MAR - COASTAL CONSERVANCY	Parks, Recreation, and Waterfront	1,936,074		Cesar Chavez Park Pathways	Carryover FY 2024 funding for Cesar Chavez Park Pathways
288	606	MAR - COASTAL CONSERVANCY	Parks, Recreation, and Waterfront	2,790,821		Pier/Ferry Project	Carryover of SCC Grant Funds for Pier Ferry Project
	606 Total			14,431,161	221,733		
289	607	MAR- Department of Boating & Waterways	Parks, Recreation, and Waterfront		60,000	DBAW 2023 Save Grant	Carryover of DBAW 2023 Save Grant for derelict vessels
290	607	MAR- Department of Boating & Waterways	Parks, Recreation, and Waterfront	18,366		DBAW 2022 Save Grant	Carryover of DBAW 2022 Save Grant for derelict vessels
	607 Total			18,366	60,000		
291	608	Marina Fund	Parks, Recreation, and Waterfront		6,000	DBAW 2023 Save Grant	Carryover of matching funds for DBAW 2023 Save Grant for derelict vessels
292	608	Marina Fund	Parks, Recreation, and Waterfront	387,883		D and E Dock Replacement	Carryover FY 2024 funding for the continuation of the D & E Dock Replacement project.
293	608	Marina Fund	Parks, Recreation, and Waterfront	62,037		K Dock Restroom Renovation	Project is in design.
294	608	Marina Fund	Parks, Recreation, and Waterfront	117,277		Cesar Chavez Park-New Restroom	Carryover FY 2024 funding for the continuation of the Cesar Chavez Park-New Restroom project.
295	608	Marina Fund	Parks, Recreation, and Waterfront	103,868		South Cove West Parking	Carryover FY 2024 funding for the South Cove West Parking Project
296	608	Marina Fund	Parks, Recreation, and Waterfront	195,833		O & K DOCK ELECTRICAL	Carryover FY 2024 funding for the continuation of the O & K Dock Electrical project.
297	608	Marina Fund	Parks, Recreation, and Waterfront	6,000		DBAW 2022 Save Grant	Carryover of matching funds for DBAW 2022 Save Grant for derelict vessels
298	608	Marina Fund	Parks, Recreation, and Waterfront	153,564		Various	Carryover FY 2024 capital funding for various PRW capital projects for continuation of these projects in FY 2025.
	608 Total			1,026,462	6,000		
299	611	Sanitary Sewer Operation	Public Works	452,782	500,342	Sanitary Sewer Master Plan	Carryover FY 2024 funding and appropriate new FY 2025 funds for the Sanitary Sewer Masterplan project
300	611	Sanitary Sewer Operation	Public Works		1,605,161	S Rehab Neilson, et al	FY25 New Appropriated Funding for S Rehab Neilson, et al project
301	611	Sanitary Sewer Operation	Public Works	2,357,828		SS Rehab Parker et al	Carryover FY 2024 funding for S Rehab Neilson, et al project
302	611	Sanitary Sewer Operation	Public Works	2,354,156		Sanitary Sewer Hearst Et Al	Carryover FY funding for the Sewer Rehab Heast Et Al Project
303	611	Sanitary Sewer Operation	Public Works	277,002		SSR-FY23 Urgent Repair (Various Capital Projects Locations)	Carryover FY 2024 funding for SSR-FY23 Urgent Repair (Various Capital Projects Locations) project
304	611	Sanitary Sewer Operation	Public Works	1,330,064		The Alameda, Keeler, Euclid, et.al	Carryover FY 2024 funding for the payment of outstanding invoices and continuation of The Alameda, Keeler, Euclid, et.al. project.
305	611	Sanitary Sewer Operation	Public Works	5,526,794		Sewer Rehab Virginia, Parker, Et Al	Carryover FY 2024 funds for the Sewer Rehab Virginia, Parker, Et al project
306	611	Sanitary Sewer Operation	Public Works	749,545		SSR - FY 24 Urgent Repair	Carryover FY 2024 funding for SSR - FY 24 Urgent Repair project
307	611	Sanitary Sewer Operation	Public Works	356,298		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
	611 Total			13,404,469	2,105,503		
308	616	Clean Storm Water	Public Works	271,631		Retaining Wall & Storm Drain Repair	Carryover FY 2024 funding for the Retaining Wall & Storm Drain Repair project
309	616	Clean Storm Water	Public Works	611,408		MRP Trash Capture	Carryover FY 2024 funding for On-going project

Item #	Fund #	Fund Name	Department	Carryover Request	Adjustment Request	Description/Project name	Comments/Justification
310	616	Clean Storm Water	Public Works	50,189		Clean Water Program	Carryover FY 2024 funding for the continuation of the Clean Water program
311	616	Clean Storm Water	Public Works	137,200		WILDCAT CANYON ROAD REPAIRS	Carryover FY 2024 funding to continue the project into the construction phase
312	616	Clean Storm Water	Public Works	720,000		FY2024 Sidewalk Repairs Program	Carryover FY 2024 funding for the continuation of the FY 2024 Sidewalk repairs Program
313	616	Clean Storm Water	Public Works	272,683		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
	616 Total			2,063,111	-		
314	622	UNIFIED PROGRAM (CUPA)	Planning		22,077	Accela EnvisionConnect software license	The Toxics Management Division implemented new software this year, and we budgeted for that implementation and license. We didn't realized that Toxics is also contractually obligated to pay for their old Accela EnvisionConnect software license this year. Toxics doesn't have enough salary savings to date to cover the Accela invoice.
	622 Total			-	22,077		
315	627	Off-Street Parking Fund	Public Works		616,601	TELEGRAPH/CHANNING ELEVATOR UPGRADE	Appropriate funding to continue the project into the construction phase
316	627	Off-Street Parking Fund	Public Works	764		Various Capital Projects	Carryover FY 2024 capital funding for Various Capital Projects PW capital projects for continuation of projects in FY 2025
317	627	Off-Street Parking Fund	Public Works		919,815	SKIDATA Contract Amendment	Appropriate funds for the SKIDATA Inc. contract amendment to provide maintenance services and warranties for parking access and revenue control system equipment at the City parking garages
	627 Total			764	1,536,416		
318	631	Parking Meter Fund	Public Works	43,035		Dixon Resources Unlimited	From FY24 salary saving - To pay consultant to continue projects while waiting to hire Parking Manager
	631 Total			43,035	-		
319	636	Equipment Maintenance	Public Works		50,000	Janitorial Contract	1947- Center St.-To ensure continued services to City Buildings-Rate increase and Retro-active Rate increase initiated by Finance.Contract being taken over from Finance
320	636	Building Maintenance	Public Works		50,000	Security Contract (Allied extension)	Appropriate funding to ensure continued services to City Buildings- Contract being taken over from Finance
	636 Total			-	100,000		
321	671	Equipment Maintenance	Public Works	300,000		EV Charging Capital Projects - Loan to Division	Consultant assistance while staff are on leave
322	671	Equipment Maintenance	Public Works	411,000		Carry over of FY24, FY23 purchases	Need additional funding to allow for FY25 Vehicle Purchases, these are all planned replacements that have paid into the fund.
323	671	Equipment Maintenance	Public Works		200,000	Deposit on 641 Gilman - Loan to Division	To support the investigation/purchase of the property for the relocation of Equipment Maintenance
324	671	Equipment Maintenance	Public Works		2,000,000	Transfer to 672 Equipment Maintenance	To ensure continued fuel & maintenance to city Vehicles, includes encumbrances for vendors approved on 10/15/24 council agenda
	671 Total			711,000	2,200,000		
325	673	Building Maintenance	Public Works		250,000	Janitorial Contract	Appropriate funding to ensure continued services to City Buildings-Rate increase and Retro-active Rate increase initiated by Finance. Contract being taken over from Finance
326	673	Building Maintenance	Public Works		150,000	Security Contract (Allied extension)	Appropriate funding to ensure continued services to City Buildings- Contract being taken over from Finance
327	673	Building Maintenance	Public Works		200,000	Electrician for Buildings-Funding shift from 142/134	There is not a currently funded position for buildings.
328	673	Building Maintenance	Public Works		100,000	On-Call MSR HVAC	Appropriate funding to allow for timely repairs of City Buildings
329	673	Building Maintenance	Public Works		150,000	On-Call Painting Contractor	Appropriate funding to allow for timely repairs of City Buildings
330	673	Building Maintenance	Public Works		150,000	On-Call Roofing Constructors	Appropriate funding to allow for timely repairs of City Buildings
	673 Total			-	1,000,000		
331	679	Catastrophic Loss Fund	Non-Departmental		4,273,032	FY 2025 Bay Cities Joint Powers Insurance Authority Program Bill	Add additional funds for the FY 2025 Bay Cities Joint Powers Insurance Liability Program Insurance costs

Item #	Fund #	Fund Name	Department	Carryover Request	Adjustment Request	Description/Project name	Comments/Justification
	679 Total			-	4,273,032		
332	680	IT Cost Allocation	IT		2,900,000	Transfer from IT Cost Allocation Fund to the FUNDS\$ Replacement Fund	Fund Transfer from IT Cost Allocation (680) to FUNDS\$ Replacement Fund (503)
	680 Total			-	2,900,000		
333	781	Berkeley Tourism BID	City Manager's Office	90,207			This funding belongs to the BID and the City is obligated to disperse it.
	781 Total			90,207	-		
334	782	Elmwood BID	City Manager's Office	30,290			This funding belongs to the BID and the City is obligated to disperse it.
	782 Total			30,290	-		
335	783	Solano Avenue BID	City Manager's Office	20,136			This funding belongs to the BID and the City is obligated to disperse it.
	783 Total			20,136	-		
336	784	Telegraph PBID	City Manager's Office	157,831			This funding belongs to the BID and the City is obligated to disperse it.
	784 Total			157,831	-		
337	786	Dwnt Berk Prop & Imp	City Manager's Office	79,656			This funding belongs to the BID and the City is obligated to disperse it.
	786 Total			79,656	-		
338	801	Rent Stabilization Board	Rent Stabilization Board		1,741,272	FY 2025 Adopted Rent Board Budget	Revise Rent Board FY 2025 Budget to match the budget adopted by the Rent Stabilization Board
	801 Total			-	1,741,272		
	Grand Total			137,703,017	47,648,975		

FY 2025 Combined List of General Fund Budget Requests

Item #	Department	Item	Requesting Amount	Type of Request
FY 2025 Unfunded Items				
Tier 1B/1C				
1	City Manager	Grant Assistance	50,000	One-Time
2	City Clerk	2024 General Election	-	One-Time
3	Human Resources	Threat Assessment Team (Psychological Services)	75,000	On-Going
4	Information Technology	Infrastructure Vulnerability Scanner	60,000	On-Going
5	Planning	Citywide Historic Context Statement	200,000	One-Time
6	Parks, Rec., & Waterfront	South Cove Seawall-Additional Funded-Planning Only	250,000	One-Time
7	Public Works	Vision Zero Action Plan Consultant Costs	250,000	One-Time
8	Public Works	Low Income Rebate - Zero Waste	100,000	On-Going
9	Public Works	Low Income Rebate - Sewer	100,000	On-Going
10	Parks, Rec., & Waterfront	Marina Fund Operational Subsidy	347,348	One-Time
11	Parks, Rec., & Waterfront	Inflation Adjustment	32,210	Ongoing
12	Planning	Energy Manager Bill Processing Fee	8,000	One-Time
13	Police	Jail Control Panel Project	250,000	One-Time
14	Public Works	Codornicies Creek Restoration at 9th Street (PWENCR2402)	200,000	One-Time
15	ODPA	Communications Specialist (working title)	210,691	On-Going
16	ODPA	Internship Program	30,000	On-Going
17	ODPA	Assistant City Clerk (working title)	237,346	On-Going
18	ODPA	Office Specialist II	128,912	On-Going
Tier 2				
19	City Clerk	Paperless Contracts Software	400,000	On-Going
20	City Manager	Electronic message boards, road closure signage, cones	85,000	One-Time
21	City Manager	Strategic plan report	32,000	On-Going
22	City Manager	Veterinarian (new classification request)	184,756	On-Going
23	City Manager	Assistant Management Analyst	154,533	On-Going
24	City Manager	Associate Management Analyst	210,818	On-Going
25	City Manager	#Discovered in Berkeley – Berkeley Business Marketing & Communications Project: Continuation	25,000	On-Going
26	City Manager	Berkeley Ventures, Berkeley Values	10,000	On-Going
27	City Manager	Ongoing Grant Program for Retaining and Improving Creative Spaces	300,000	On-Going
28	City Manager	Consultants for Business Improvements	50,000	One-Time
29	City Manager	Recommendations on Public Safety/Crime Prevention for Women	250,000	One-Time
30	Finance	Reclassification of Associate to Sr Mgmt. Analyst	129,885	On-Going
31	HHCS	Second Deputy Director	289,438	On-Going
32	Human Resources	Reclassification of Assistant to Sr Mgmt. Analyst	68,472	On-Going

FY 2025 Combined List of General Fund Budget Requests

Item #	Department	Item	Requesting Amount	Type of Request
33	Information Technology	Upgrade to Microsoft G5 for improving security and compliance	500,000	One-Time
34	Information Technology	Data Center Relocation (CoLo or Cloud)	1,100,000	One-Time
35	Parks, Rec., & Waterfront	CIP Personnel	360,625	On-Going
36	Parks, Rec., & Waterfront	Restore FY24 CIP Baseline	2,000,000	On-Going
37	Parks, Rec., & Waterfront	Camps Fund Capital	550,000	One-Time
38	Parks, Rec., & Waterfront	Marina Fund Capital	1,010,000	One-Time
39	Planning	Rezone Gilman Project (FY25)	100,000	One-Time
40	Police	Senior Management Analyst	214,324	On-Going
41	Police	Program Manager II	258,076	On-Going
42	Public Works	Codornices Creek Restoration between UPRR & Caltrans (Behind Transfer Station)	400,000	One-Time
43	Public Works	BART Rent agreement for bike station	85,000	On-Going

Tier 3

44	City Manager	Assistant Management Analyst	41,724	On-Going
45	Police	Associate Management Analyst	192,917	On-Going
46	Public Works	Break even amount to shift costs from On-Street Parking Fund 631 to General Fund that support direct personnel and non-personnel in PD's Parking Enforcement Program	2,699,667	On-Going

Sub-Total: FY 2025 Unfunded items

14,231,742

FY 2024 Unfunded Council Budget Referrals (07/01/2023 - 06/30/2024)

47	Taplin, Robinson, and Humbert	51B BRT + University/Shattuck Corridor Mobility Improvements	150,000	One-Time
48	Robinson and Humbert	Opening the Dwight Triangle	25,000	One-Time
49	Humbert and Bartlett	Additional Security Cameras at Intersections Experiencing Increased Violent Crime	905,000	One-Time
50	Hahn, Humbert, Taplin, and Bartlett	Continue Market Match Program for Low-Income Berkeley Residents in the Event of Statewide Program Cuts	180,000	One-Time
51	Bartlett	Healthy Black Families Community Engagement - Ashby BART Development and Equitable Black Berkeley	60,000	One-Time
52	Hahn and Wengraf	Development of Voluntary Design Guidelines	200,000	One-Time
53	Humbert, Hahn, Taplin, and Lunaparra	Staff direction and budget referral for Practical Interventions to Clear and Keep Using Parking Spaces (PICKUPS)	125,000	One-Time
54	Hahn	Berkeley Faith & Justice Coalition – Grassroots Leader Support Project	25,000	One-Time
55	Mayor Arreguin	Berkeley Youth Alternatives Part-Time Garden Assistant	31,250	One-Time

Sub-Total: FY 2024 Unfunded Council Budget Referrals

1,701,250

New Council Referrals (07/01/2024 - 11/12/2024)

FY 2025 Combined List of General Fund Budget Requests

Item #	Department	Item	Requesting Amount	Type of Request
56	Mayor Arreguin	Ashby BART Area Enhanced Infrastructure Finance District (EIFD) Analysis	100,000	One-Time
57	Cecilian Lunaparra, Chair	Refer to the City Manager to fund and develop a Curb Management	250,000	One-Time
58	Kesarwani, Humbert, Tregub, and Wengraf	Independent Consultant to Conduct Analysis of Health Food Inspection Program	100,000	One-Time
59	Civic Arts Commission	Civic Arts Commission Fund Request - Mitigation Fee Nexus Study, Public Art on Private Development Requirement	125,000	One-Time
60	Hahn, Humbert, and Bartlett	Budget Referral and Technical Support for La Peña Cultural Center	150,000	One-Time
61	Bartlett	Funding for Speed Bump at Russell and Martin Luther King Jr. Way	7,000	One-Time
62	Bartlett	Funding for Replacement of Six Existing Wrought Iron Barriers for South Adeline Circular Planters	50,000	One-Time
63	Wengraf	Create a Five-Year Sustainable and Comprehensive Recovery Plan for the Arts and Culture Sector in Berkeley	150,000	One-Time
64	Humbert	Create a City park at Parkside Drive terminus median	150,000	One-Time
65	Humbert and Tregub	One-time \$70,000 bridge funding to the Bread Project	70,000	One-Time
66	Wengraf	Design and planning for replacement of play structures and ADA access improvements at Glendale La Loma Park	250,000	One-Time
67	Tregub	Install an Accessible Pedestrian Signal (APS) at the intersection of Sacramento Street and Allston Way	30,000	One-Time
68	Hahn	Budget Referral and Technical Support for the Berkeley Art Center	100,000	One-Time
69	Tregub and Hahn	Traffic Study and Pedestrian Safety Operations at the Pedestrian Crossing on Shattuck Avenue and Delaware Street	50,000	One-Time
70	Taplin	Afterschool Program Expansion	300,000	One-Time
71	Taplin	F and G Dock Deck Replacement	500,000	One-Time
72	Taplin	South Cove Seawall Design Project	250,000	One-Time

Sub-Total: Council Referrals 2,632,000

GF AAO1 - New Request

73	City Clerk	City Council Agenda Management; Digital Records; Records Online; Birth and Death Records	87,958	On-Going
74	City Clerk	2024 Special Elections additional costs	94,570	One-Time
75	City Clerk	2024 General Elections additional Costs	635,000	One-Time
76	City Manager's Office	Rodeway Inn Lease Costs	501,552	On-Going
77	Fire	UC Berkeley power chair lift so patients can be easily moved up and down the stadium seating (paid for by UC)	19,940	One-Time
78	Human Resources	Outside legal counsel services for labor negotiations	50,000	One-Time

FY 2025 Combined List of General Fund Budget Requests

Item #	Department	Item	Requesting Amount	Type of Request
79	Non-Departmental	General Fund Transfer to Catastrophic Loss Fund	1,043,546	One-Time
80	Non-Departmental	FY 2025 Bay Cities Joint Powers Insurance Authority Program Bill	244,355	One-Time
81	Non-Departmental	Transfer to the FUNDS\$ Replacement Fund for staffing costs working on General Fund projects	289,143	One-Time
82	Parks, Recreation, and Waterfront	Staffing and maintenance costs associated with BUSD use of James Kenney community center and park	149,325	One-Time
83	Parks, Recreation, and Waterfront	Increase cost of utilities at community centers and pools	275,000	On-Going
84	Parks, Recreation, and Waterfront	Fire Fuel Abatement- removal of hazardous vegetation, tree pruning/removal	225,000	One-Time
85	Public Works	Funding to advance the Stair Center ADA project to construction	676,807	One-Time
86	Public Works	Cost shift from Parking Meter Fund to pay for parking data analytics service (Turnstone Data Analysts)	223,500	On-Going
87	Public Works	Edgeworth/Cameras in ROW	60,010	One-Time
Sub-Total: GF AAO1 - New Request			4,575,706	

GF AAO1 - Carryover Request - Charter Offices

88	City Attorney's Office	Outside Counsel	317,510	One-Time
89	Office of the Director of Police Accountability	New Office Furniture (1X Expense)	20,000	One-Time
90	Office of the Director of Police Accountability	New Office IT Reconfiguration (1X)	20,000	One-Time
91	Office of the Director of Police Accountability	New Office A/V and misc. cost	20,000	One-Time
92	Office of the Director of Police Accountability	Stand-alone Website + social media program launch	32,076	One-Time
93	Office of the Director of Police Accountability	VIRTRA-Virtual training simulator (1X Expense)	58,118	One-Time
94	Office of the Director of Police Accountability	Software & Licenses for Board Members	20,000	One-Time
95	Office of the Director of Police Accountability	PAB/Community Training Academy	20,000	One-Time
96	Office of the Director of Police Accountability	PAB Committee + Training Stipends Adjustments	12,000	One-Time
97	Office of the Director of Police Accountability	Outreach (Promotional materials)	25,071	One-Time
98	Office of the Director of Police Accountability	Outreach (Community Engagement Meetings)	24,250	One-Time
99	Office of the Director of Police Accountability	Public Safety Pulse Survey	25,000	One-Time
Sub-Total: GF AAO1 - Carryover Request - Charter Offices			594,026	

GF AAO1 - Carryover Request - Departments

100	Mayor and Council	FY 2024 Council Carryover per Res#70,054 - Guideline and Procedures for City Council Office Budget	66,468	One-Time
101	City Clerk	2024 Special Elections additional costs	176,684	One-Time
102	City Manager's Office	Fencing for Civic Center Park	6,753	One-Time
103	City Manager's Office	Toolkit to assist staff communications	60,000	One-Time
104	City Manager's Office	Transportation fee/fines analysis for Reimagining Public Safety	145,500	One-Time

FY 2025 Combined List of General Fund Budget Requests

Item #	Department	Item	Requesting Amount	Type of Request
105	City Manager's Office	Office of Racial Equity: Re-Entry Employment and Guaranteed Income Programs	50,000	One-Time
106	Fire	WUI Vegetation Management	227,550	One-Time
107	HHCS	African American Holistic Resource Center Carryforward of unspent	52,037	One-Time
108	HHCS	OnBase upgrade - Konica Minolta	18,284	One-Time
109	HHCS	Environmental Health Landscaping Abatement Services	15,000	One-Time
110	HHCS	Square One	48,111	One-Time
111	HHCS	Hard Hats Ordinance (from social housing uncommitted funds)	50,000	One-Time
112	HHCS	Housing Development Consultant Support	25,000	One-Time
113	HHCS	Street Level Advisors	100,000	One-Time
114	HHCS	Healthy Black Families Contract	51,234	One-Time
115	HHCS	PGE NEM Charges	33,990	One-Time
116	HHCS	FY24 Community Agency contract amendments	137,780	One-Time
117	HHCS	FY24 Community Agency contract amendments	56,893	One-Time
118	Human Resources	Indeed Invoice	11,800	One-Time
119	Parks, Recreation, and Waterfront	Miyawaki Forest Project	140,000	One-Time
120	Parks, Recreation, and Waterfront	Willard Clubhouse Restroom Replacement	24,939	One-Time
121	Parks, Recreation, and Waterfront	D and E Dock Replacement	4,696,967	One-Time
122	Parks, Recreation, and Waterfront	Waterfront Dredging	803,033	One-Time
123	Parks, Recreation, and Waterfront	City survey of ballot measures in 2024	40,000	One-Time
124	Parks, Recreation, and Waterfront	Matching Funds to Repair Eight Deficient Tide Tubes to Avoid Catastrophic Structural Failure and Escalating Construction Costs	800,000	One-Time
125	Planning	BESO Implementation Funds	20,000	One-Time
126	Planning	Rezone Gilman Street	250,000	One-Time
127	Planning	Land Use Safety & Env Justice Update	300,000	One-Time
128	Planning	San Pablo Ave Specific Area Plan	150,000	One-Time
129	Planning	BART Stations Area Plan	275,215	One-Time
130	Planning	Transportation Impact Fee Analysis (to be reallocated to Hard Hat Ordinance in HHCS)	100,000	One-Time
131	Police	Unpaid contract PO invoices in FY 2024 (Stepford, DC Electric, and City of Fairfield)	40,000	One-Time
132	Public Works	EV Charging Station	1,413,550	One-Time
133	Public Works	Strawberry Creek Culvert Repairs	154,475	One-Time
134	Public Works	Ardurra Group Inc. & LCC Engineering & Surveying Inc.,	150,000	One-Time
135	Public Works	West Berkeley Senior Center Improvements	163,306	One-Time
136	Public Works	Use salary savings to fund consultants to continue projects	260,000	One-Time
137	Public Works	Oxford/University Corridor Studies	150,000	One-Time

FY 2025 Combined List of General Fund Budget Requests

Item #	Department	Item	Requesting Amount	Type of Request
138	Public Works	Edgeworth/Cameras in ROW	639,990	One-Time
139	Public Works	Continue various capital projects	619,470	One-Time
140	Public Works	Yield Signs at Two Unmarked Intersections	30,000	One-Time
141	Public Works	Vision Zero Improvements at 6th & Addison Intersection	85,000	One-Time
Sub-Total: GF AAO1 - Carryover Request - Other Departments			12,639,029	
Total: FY 2025 Combined List of Budget Requests			35,779,727	

Preliminary Fund Balance with Investment Policy

GENERAL FUND UNASSIGNED FUND BALANCE CALCULATION

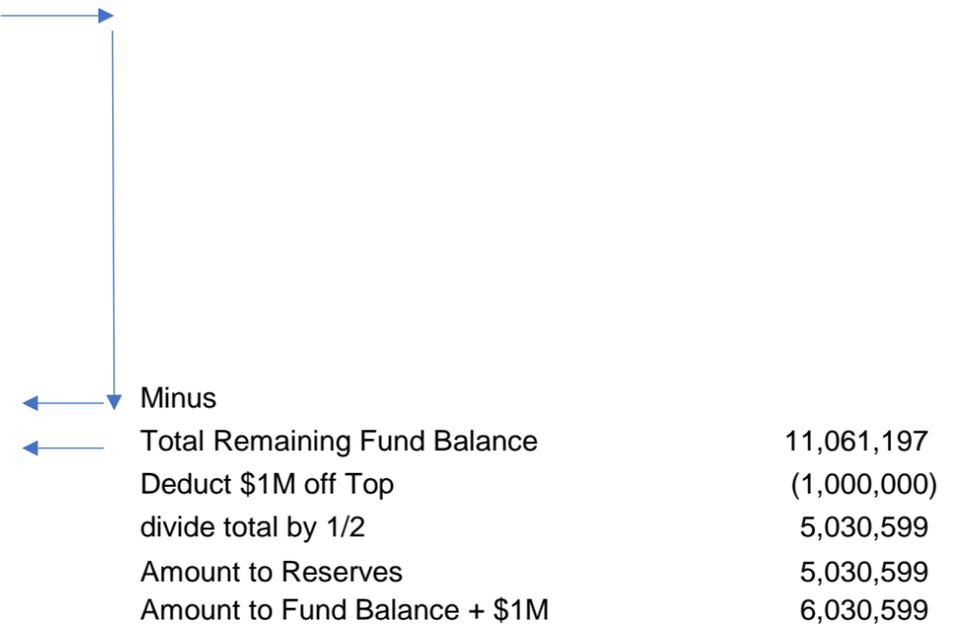
FY 2024 Beginning Fund Balance	\$ 85,414,079
FY 2024 Revenues	\$ 273,390,623
FY 2024 Expenditures	\$ (288,270,886)
FY 2024 GF Transfer of Revenue to Measure U1	\$ (6,322,118)
Investment Interest above baseline of \$6 million to Section 115 Trust	\$ (3,052,000)
Investment Interest above baseline of \$6 million to GF Reserves	\$ (3,052,000)
Investment Interest above baseline of \$6 million to Capital	\$ (3,052,000)
Excess Property Transfer Tax Over \$18M Baseline (Revenue Did Not Meet Baseline)	\$ -
FY 2024 G. F. Encumbrances Restricted (AAO #1)	\$ (30,334,347)
Use of Fund Balance as a Balancing Strategy for FY 2025	\$ (2,837,152)
Use of Fund Balance as a Balancing Strategy for FY 2026	\$ (2,170,240)
Balance After Contractual Obligations and Policy Consideration	\$ 19,713,959
Less:	
ALL FY 2024 Department Carryover	\$ (12,639,029)
ALL FY 2024 Charter Offices Carryover Requests	\$ (594,026)
ALL FY 2025 Other Adjustments/New Requests	\$ (4,575,706)
Mayor's Funding Recommendations	
Total AAO#1 and other requests	\$ (17,808,761)
Balance After AAO #1 Items and other request	\$ 1,905,198
Allocation to Reserves	\$ 452,599
Remaining General Fund Balance Before Needing to Use Reserves	\$ 1,452,599

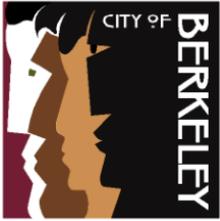


Minus	
Total Remaining Fund Balance	1,905,198
Deduct \$1M off Top	(1,000,000)
divide total by 1/2	452,599
Amount to Reserves	452,599
Amount to Fund Balance+\$1M	1,452,599

Preliminary Fund Balance without Investment Policy

GENERAL FUND UNASSIGNED FUND BALANCE CALCULATION	
FY 2024 Beginning Balance	\$ 85,414,079
FY 2024 Revenues	\$ 273,390,623
FY 2024 Expenditures	\$ (288,270,886)
FY 2024 GF Transfer of Revenue to Measure U1	\$ (6,322,118)
Investment Interest above baseline of \$6 million to Section 115 Trust	\$ -
Investment Interest above baseline of \$6 million to GF Reserves	\$ -
Investment Interest above baseline of \$6 million to Capital	\$ -
Excess Property Transfer Tax Available for Capital/Ops/Reserves (Revenue Did Not Meet Baseline)	\$ -
FY 2024 G. F. Encumbrances Restricted (AAO #1)	\$ (30,334,347)
Use of Fund Balance as a Balancing Strategy for FY 2025	\$ (2,837,152)
Use of Fund Balance as a Balancing Strategy for FY 2026	\$ (2,170,240)
Balance After Contractual Obligations without Implementing Policy	\$ 28,869,958
Less:	
ALL FY 2024 Department Carryover	\$ (12,639,029)
ALL FY 2024 Charter Offices Carryover Requests	\$ (594,026)
ALL FY 2025 Other Adjustments/New Requests	\$ (4,575,706)
Mayor's Funding Recommendations	
Total AAO#1 and other request	\$ (17,808,761)
Balance After AAO #1 Items and other request	\$ 11,061,197
	Allocation to Reserves
	\$ 5,030,599
Remaining General Fund Balance Before Needing to Use Reserves	\$ 6,030,599





Office of the City Manager

Date: October 21, 2024
 To: City Council/Budget and Finance Policy Committee
 From: Paul Buddenhagen, City Manager
 Submitted by: Henry Oyekanmi, Finance Director
 Subject: FY 2024 End Of-Year Revenue Report

General Fund Revenue and Transfer In FY 2024 vs FY 2023 Comparison

Revenue Categories	FY 2024				FY 2023				Comparison FY24 vs FY23	
	Adopted (a)	Actual (b)	Variance c=(b) - (a)	% Received (d) = (b)/(a)	Adopted (e)	Actual (f)	Variance g=(f) - (e)	% Received (h) = (f)/(g)	Amount (i) = (b) - (f)	% (j) = (i)/(f)
Secured Property	\$84,725,717	\$84,850,061	\$124,344	100.15%	\$75,664,920	\$79,260,689	\$3,595,769	104.75%	5,589,372	7.05%
Redemptions -Regular	831,441	842,794	11,353	101.37%	831,441	738,032	-93,409	88.77%	104,762	14.19%
Supplemental Taxes	3,400,000	2,842,273	(557,727)	83.60%	2,000,000	3,561,752	1,561,752	178.09%	(719,479)	-20.20%
Unsecured Property Taxes	3,806,995	4,506,444	699,449	118.37%	3,516,000	3,830,697	314,697	108.95%	675,747	17.64%
Property Transfer Tax	22,873,786	17,549,598	(5,324,188)	76.72%	34,462,172	22,878,336	-11,583,836	66.39%	(5,328,738)	-23.29%
Property Transfer Tax-Measure P (New December 21, 2018)	10,189,500	6,272,861	(3,916,639)	61.56%	14,073,750	10,199,580	-3,874,170	72.47%	(3,926,719)	-38.50%
Sales Taxes	19,654,225	18,717,040	(937,185)	95.23%	19,016,546	19,194,971	178,425	100.94%	(477,931)	-2.49%
Soda Taxes	1,147,387	1,101,210	(46,177)	95.98%	990,210	1,162,310	172,100	117.38%	(61,100)	-5.26%
Utility Users Taxes	17,454,320	17,209,441	(244,879)	98.60%	13,800,000	17,634,565	3,834,565	127.79%	(425,124)	-2.41%
Transient Occupancy Taxes	8,374,588	8,224,852	(149,736)	98.21%	5,000,000	8,671,689	3,671,689	173.43%	(446,837)	-5.15%
Less: TOT rebates owed (3)		(1,245,529)				(1,193,778)			(51,751)	4.34%
Short-term Rentals	1,400,000	1,475,488	75,488	105.39%	1,000,000	1,372,439	372,439	1,000,000	103,049	7.51%
Business License Tax	21,560,783	23,755,728	2,194,945	110.18%	19,000,000	21,854,193	2,854,193	115.02%	1,901,535	8.70%
Recreational Cannabis	1,000,000	152,834	(847,166)	15.28%	1,400,000	997,572	-402,428	71.26%	(844,738)	-84.68%
U1 Revenues	5,900,000	6,322,118	422,118	107.15%	4,900,000	5,844,564	944,564	119.28%	477,554	8.17%
Other Taxes (excluding Redemptions-Regular)	2,593,129	4,460,116	1,866,987	172.00%	1,800,000	4,717,855	2,917,855	262.10%	(257,739)	-5.46%
Vehicle In-Lieu Taxes	17,811,134	17,875,821	64,687	100.36%	15,926,168	16,659,665	733,497	104.61%	1,216,156	7.30%
Parking Fines-Regular Collections	5,800,000	6,034,375	234,375	104.04%	4,326,450	5,875,858	1,549,408	135.81%	158,517	2.70%
Parking Fines-Booting Collections			0				0	#DIV/0!	-	#DIV/0!
Moving Violations	132,600	166,152	33,552	125.30%	132,600	149,420	16,820	112.68%	16,732	11.20%
Ambulance Fees	5,350,779	7,910,668	2,559,889	147.84%	3,880,779	5,143,120	1,262,341	132.53%	2,767,548	53.81%
Interest Income	8,826,211	15,155,999	6,329,788	171.72%	6,000,000	12,117,025	6,117,025	201.95%	3,038,974	25.08%
Franchise Fees	1,720,056	2,008,162	288,106	116.75%	1,613,283	1,822,528	209,245	112.97%	185,634	10.19%
Other Revenue	7,668,797	6,889,503	(779,294)	89.84%	6,729,977	9,043,937	2,313,960	134.38%	(2,154,434)	-23.82%
IDC Reimbursement	6,104,970	6,720,690	615,720	110.09%	5,490,000	6,758,577	1,268,577	123.11%	(37,887)	-0.56%
Transfers	13,591,924	13,591,924	0	100.00%	17,096,148	16,846,585	-249,563	98.54%	(3,254,661)	-19.32%
Total Revenue:	\$271,918,342	\$273,390,623	\$1,472,281	100.54%	\$258,650,444	\$275,142,181	\$16,491,737	106.38%	(\$1,751,558)	-0.64%

Notes: (1) This statement is presented on a budgetary basis (i.e., cash).
 (2) Current vendor no longer breaks out Regular and Booting Parking Fines Collections
 (3) Includes the amount of TOT rebates paid or owed for the period
 (4) Redemptions are Other Taxes that are shown separately on this spreadsheet

1. Summary of General Fund FY 2024 Revenue Comparative Results

General Fund revenue and transfers decreased \$1,751,558 or -.64%, from \$275,142,181 in FY 2023, to \$273,390,623 in FY 2024.

As staff warned in the FY 2023 General Fund Revenue report to Council, the City General Fund has, at least for the near term, lost at least two of its three primary drivers of annual growth (For the last two years, Property Transfer Taxes and Measure P Property Transfer Taxes experienced negative growth, and that led to lower growth for Secured Property Taxes and Vehicle in Lieu Taxes in FY 2024 and will lead to lower growth in FY 2025), as they've continued to decline sharply in FY 2024. The Secured Property Tax and Vehicle in Lieu revenue growth in FY 2024 and FY 2025 in the City's assessed value has dropped sharply from 10.8% in FY 2023 to 7.256% in FY 2024 and 6.39% for FY 2025.

In addition, the City is starting to see weakness in two other key General Fund business categories: Sales Taxes and TOT. The City's Sales Tax Consultant has noted softening in sales activity in several sales tax categories since the FY 2024 Adopted Budget was passed, and this has resulted in a decline in Sales Tax revenue and TOT revenue in FY 2024.

Notable General Fund Revenue Declines and Increases

A. Notable declines during FY 2024 were the following:

- 1. Supplemental Taxes \$ -719,479
- 2. Property Transfer Taxes -5,328,738
- 3. Measure P Property Transfer Taxes -3,926,719
- 4. Transfers In -3,254,661
- 5. Sales Taxes -477,931
- 6. TOT (after rebates) -498,588
- 7. Recreational Cannabis -844,738
- 8. Other Revenue -2,154,434

B. Notable increases during FY 2024 were the following:

- 1. Secured Property Taxes \$ +5,589,372
- 2. Unsecured Property Taxes +675,747
- 3. Business License Taxes +1,901,535
- 4. Ambulance Fees +2,767,548

5. Vehicle In Lieu Taxes	+1,216,156
6. Interest Income	+3,038,974

Several of these notable increases/decreases resulted in increases and decreases in the FY 2024 revenue projections for those revenue categories after the Adopted Budget was passed.

Excluding Transfers, General Fund revenue increased \$1,503,103 or .58%, from \$258,295,596 in FY 2023, to \$259,798,699 in FY 2024.

2. Continuing General Fund Revenue Challenges

Before getting into the FY 2024 General Fund revenue details, I also want to point out that the City's General Fund revenue challenges have not ended now that the Fed's has apparently started lowering short-term rates, for the following reasons:

1. The Fed's lowered the Federal Funds rate by .50% on September 18, 2024 and forecast that more rate cuts are on the way. The Fed's had previously said that it would not make that move until it was convinced that its favored method to measure inflation, the core Personal Consumption Expenditures index (Core PCE), was on a sustainable path to its policy goal of 2%. That rate fell to a level of 2.7% at the end of August 2024, still significantly above the Fed's target of 2%). It should be pointed out that after the Fed's lowered short-term rates by .50% on September 18, 2024, mortgage rates have actually risen, not declined, by approximately .50%.

One challenge is that if the core PCE move down to 2% is slow, then the Fed's will be reluctant to move rates significant lower (i.e., rates will stay higher for a longer period of time). As a result, mortgage and other consumer interest rates will remain high, resulting in lower consumer spending and property sales. Lower consumer spending will result in lower Sales Tax revenue, and lower property sales will result in less Property Transfer Tax revenue to the City. In addition, it will result in lower growth in assessed values, which will result in less Secured Property Tax revenue and Vehicle In Lieu Tax revenue to the City, since they change based on the changes in assessed value each year.

2. Increasing interest rates wasn't the only monetary tightening by the Fed's between March 17, 2022- July 26, 2023, when it raised the Federal Funds rate from a range of 0%-.25% to 5.25%-5.50%. At the same time, it also initiated a program called "quantitative tightening", whereby it sold \$95 billion/month of Treasury Bonds and Mortgage-backed securities from its mammoth Balance Sheet. By selling these securities, the Fed's increased the supply of Treasury Bonds and Mortgage-backed Bonds, thereby simultaneously lowering the market price of the bonds and increasing long-term rates, including mortgages. Another challenge facing the bond market is that the Fed's Balance Sheet has grown from \$.9 trillion right before the 2008 financial crisis to \$4.4 trillion after the crisis, and to \$9 trillion after the COVID-19 pandemic, as a result of the federal deficit spending done to respond to these crises. The Balance Sheet balance currently stands at a still staggering amount of \$7.4 trillion and needs to continue to be unwound. The problem is that when the Fed's sells these securities, they are purchased by investment banks and other financial institutions. When this happens, the banks and other financial institutions have less cash and reserves to lend money to companies and individuals, thereby negatively impacting the economy.

Fortunately, the Fed's partially alleviated this problem in June 2024 by slowing the pace of asset paring to \$60 billion/month and eliminating the securities as they matured (instead of selling them), without reinvesting the proceeds.

3. Another challenge is the proposed \$1.8 trillion federal budget deficit for the upcoming fiscal year. This will require the issuance of additional \$1.8 trillion in Treasury Bonds to fund the deficit. This will put upward pressure on long-term interest rates, including mortgage rates.

4. Another challenge is the potential impacts from the November 2024 presidential election. Specifically, both candidates have promised huge tax cuts and credits, which if enacted, could significantly increase the federal budget deficit and put even more upward pressure on interest rates.

The additional huge amount of bonds that will need to be issued as a result of these macroeconomic challenges will probably overwhelm demand for long-term bonds and continue to put pressure on long-term interest rates, including mortgage rates and rates on General Obligation Bonds the City may need to issue in the future. In addition to reducing consumer spending and slowing down the economy, it will keep mortgage rates high. Keep in mind that the Fed's can only control short-term rates. The impact of its actions on long-term interest rates is controlled solely by the bond market.

One positive note is that the negative impacts on the City of rising interest rates is partially offset by a significant increase in Interest Income the City generated through its investment portfolio.

3. FY 2024 GENERAL FUND REVENUE DETAILS

Secured Property Tax (+\$5,589,372 more than FY 2023 Actual)

During FY 2024, Secured Property Tax revenues totaled \$84,850,061, which was \$5,589,372 or 7.05% more than the \$79,260,689 received in FY 2023. This result was consistent with the County's Certification of Assessed Valuation (received from the County in August 2023 after the Adopted Budget was passed), which reflected growth of 7.256%. Changes in Secured Property Tax revenues are based on the growth in assessed values.

Supplemental Taxes (-\$719,479 less than FY 2023 Actual)

Supplemental taxes come into play where there is a reassessment of property value triggered by changes such as new ownership, significant upgrades, or the completion of new construction. The County Assessor's Office determines the updated assessed value, calculates the difference between the previous and new assessed values, and prorates the difference, based on the remaining months in the fiscal year after the ownership transfer or the completion of improvements.

During FY 2024, Supplemental Taxes totaled \$2,842,273, which was \$719,479 or 20.2% less than the \$3,561,752 received in FY 2023, likely due to the significant decline in property sales during FY 2023 and FY 2024.

Unsecured Property Tax (+\$675,747 more than FY 2023 Actual)

During FY 2024, Unsecured Property Tax revenues totaled \$4,506,444, which was \$675,747 or 17.6% more than the amount of \$3,830,697 received in FY 2023. This amount is greater than the County's Certification of Assessed Valuation growth of 9.1% for FY 2024.

The Unsecured Property Tax Revenue projection was increased after the Mid-year budget report from \$3,806,995 to \$4,648,038.

Property Transfer Tax (-\$5,328,738 less than FY 2023 Actual)

During FY 2024, Property Transfer Tax totaled \$17,549,598, which was \$5,328,738 or 23.29% less than the \$22,878,336 received in FY 2023.

The primary reasons for the \$5,328,738 decrease in Property Transfer Tax were the following:

- (1) The dollar value of property sales decreased by \$.433.2 billion or 26.2%, from \$1.655.8 billion in FY 2023 to \$1.222.6 billion in FY 2024, as illustrated in Table 1 below.
- (2) There were 11 property sales of \$10 million or more, with total sales of \$421 million in FY 2023 compared to five property sales of \$10 million or more, with total sales of \$89.9 million in FY 2024; and,
- (3) The number of property sales transactions decreased by 83 or 10.0% from 833 in FY 2023 to 750 in FY 2024, as illustrated in the Table 2 below.

This decline in real estate activity was generally attributed to high mortgage rates and a slowing economy resulting from the Federal Reserve Board's aggressive actions to reduce the money supply and slow down the US economy in order to reduce inflation, by sharply raising interest rates and selling \$95 billion/month of Agency and Mortgage-Backed Bonds from its Balance Sheet.

Table 1- Property Sales In Million \$

	July	Aug	Sept	Oct	Nov	Dec	Subtotal
FY 2024	\$129.2	\$152.5	\$99.9	\$95.7	\$95.8	\$94.4	\$667.5
FY 2023	188.9	320.0	134.6	113.9	254.9	142.4	1,154.7
Change	-59.7	-167.5	-34.7	-18.2	159.1	-48.0	-487.2
% Change	-31.6%	-52.3%	-25.8%	-16.0%	-62.4%	-33.7%	-42.2%

Table 1- Property Sales In Million \$

	Jan	Feb	Mar	Apr	May	June	Total
FY 2024	65.8	49.8	66.3	93.2	123.3	156.7	\$1,222.6
FY 2023	86.5	72.2	53.4	96.3	73.8	118.9	1,655.8
Change	-20.7	-22.4	12.9	-3.1	49.5	37.8	-433.2
% Change	-23.9%	-31.0%	24.2%	3.2%	-67.1	31.8	-26.2%

Table 2-Number of Property Sales Transactions

	July	Aug	Sept	Oct	Nov	Dec	Subtotal
FY 2024	79	73	64	61	67	62	406
FY 2023	113	101	108	79	74	57	532
Change	-34	-28	-44	-18	-7	5	-126
% Change	-.30.1%	-27.7%	40.7%	-22.8%	-9.5%	8.8%	-23.7%

Table 2-Number of Property Sales Transactions

	Jan	Feb	Mar	Apr	May	June	Total
FY 2024	41	34	45	61	77	86	750
FY 2023	40	37	31	64	50	79	833
Change	1	-3	14	-3	27	7	-83
f% Change	2.5%	-8.1%	45.2%	-4.7%	54%	8.9%	-10.0%

The Property Transfer Tax Revenue projection was decreased from the Adopted Budget amount of \$22,873,786 to \$16,873,786.

Measure P-Property Transfer Tax (-\$3,926,719 less than FY 2023 Actual)

Measure P taxes totaling \$6,272,861 was collected during FY 2024, which was \$3,926,719 or 38.5% less than the \$10,199,580 collected during FY 2023. This decrease resulted primarily from the following: (1) A decrease of 40.0% in the dollar value of property sales amount in FY 2024 versus those in FY 2023 as reflected in Table 3; (2) The number of property sales transactions decreased by 99 or 34.1% in FY 2024, as illustrated in the Table 4 below; and,(3) There were only five property sales of \$10 million or more totaling \$89.9 million in FY 2024, compared to 11 transactions with total property sales of \$421 million in FY 2023.

Table 3- Property Sales \$1.5 million+ In Million \$

	July	Aug	Sept	Oct	Nov	Dec	Subtotal
FY 2024	\$62.8	\$87.2	\$48.5	\$51.9	\$33.6	\$42.5	\$326.5
FY 2023	114.4	271.1	84.1	63.3	203.7	99.8	836.4
Change	- 51.6	-183.9	-35.6	-11.4	-170.1	-57.3	-509.9
% Change	-45.1%	-67.8%	-42.3%	-18.0%	-83.5%	-57.4%	-61.0%

Table 3- Property Sales \$1.5 million+ In Million \$

	Jan	Feb	Mar	Apr	May	June	Total
FY 2024	20.5	22.3	31.4	54.0	67.8	99.8	\$622.3
FY 2023	34.3	28.0	20.2	49.9	30.8	37.6	1,037.2
Change	-13.8	-5.7	11.2	4.1	37.0	62.2	-414.9
% Change	40.2%	-20.4%	55.4%	8.2%	120.1%	165.4	-40.0%

Table 4- Property Transactions \$1.5 Million and Above

	July	Aug	Sept	Oct	Nov	Dec	Subtotal
FY 2024	18	17	12	15	12	10	84
FY 2023	52	41	48	31	24	19	215
Change	-34	-24	-36	-16	-12	-9	-131
% Change	-.65.4%	-58.5%	-75.0%	-51.6%	-50.0%	-47.4%	-60.9%

Table 4- Property Transactions \$1.5 Million and Above

	Jan	Feb	Mar	Apr	May	June	Total
FY 2024	3	8	13	24	26	33	191

FY 2023	12	10	9	19	11	14	290
Change	-9	-2	4	5	15	19	-99
% Change	-75.0%	-20.0%	44.4%	26.3%	136.4%	135.7%	-34.1%

The Measure P1 Property Transfer Tax Revenue projection was decreased after the Mid-year budget report from \$10,189,500 to \$4,500,000.

Sales Tax (-\$477,931 less than FY 2023 Actual)

For FY 2024, Sales Tax revenue totaled \$18,717,040, which was \$477,931 or 2.5% less than the \$19,194,971 received in FY 2023. This was better than the revised FY 2024 projection of \$18,540,921 during the mid year results. After the first quarter of FY 2024, the City's Sales Tax Consultant noticed a significant softening of sales in several categories since the Adopted Budget was passed, and revised revenue projections to \$18,540,921.

Fiscal Year 2024 decrease were in the following categories: General Retail was down 7.8%; Food Products was down 1.1%; Transportation was down 15.7%; Construction was down 3.7%; and, Business To Business was down 4.9%.

Utility Users Taxes (-\$425,124 less than FY 2023 Actual)

Utility Users Tax revenue for FY 2024 totaled \$17,209,441, which was \$425,124 or 2.41% less than the \$17,634,565 received for FY 2023.

This decrease of \$425,124 resulted from increases/decreases in the following categories:

FY 2024 Actual Revenues Compared to FY 2023 Actual Revenues				
	FY2024	FY 2023	\$ Change	% Change
Telephone	\$ 997,098	\$ 1,070,064	\$ -72,966	-6.82%
Cellular	1,750,399	1,792,979	-42,580	-2.37%
Cable	956,816	1,009,980	-53,165	-5.26%
Electric	9,975,518	9,175,141	800,376	8.72%
Gas	3,529,611	4,586,401	-1,056,789	-23.04%
Total	\$17,209,441	\$17,634,565	\$-425,124	2.41%

Franchise Fees (+\$185,634 more than FY 2023 Actual)

Franchise Fees revenue for FY 2024 totaled \$2,008,162, which was \$185,634 or 10.2% more than the \$1,822,528 received for FY 2023.

This increase of \$185,634 resulted from increases/decreases in the following categories:

FY 2024 Actual Revenues Compared to FY 2023 Actual Revenues				
	FY2024	FY 2023	\$ Change	% Change
Cable TV	\$ 603,692	\$ 526,332	\$ 77,360	14.7%
Electric	851,258	741,123	110,135	14.9%
Gas	553,212	555,073	-1,861	-.3%
Total	\$2,008,162	\$1,822,528	\$185,634	10.2%

Transient Occupancy Tax (-\$446,837 less than FY 2023 Actual)

Gross Transient Occupancy Tax (TOT before rebates are subtracted) revenue in FY 2024 totaled \$8,224,852, a decline of \$446,837 or 5.2% from the gross TOT of \$8,671,689 received in FY 2023. The primary reason for the decline of \$446,837 was that the gross TOT reported in FY 2024 for the six largest hotels in Berkeley increased by only \$48,661 or .7%, from \$7,256,856 in FY 2023 to \$7,305,517.

In addition, TOT rebates paid totaled \$1,245,529 in FY 2024, an increase of \$51,751 or 4.34% from the \$1,193,778 TOT rebates paid in FY 2023.

Short-Term Rentals (+\$103,049 more than FY 2023 Actual)

Short-Term Rentals revenue in FY 2024 totaled \$1,475,488, which was \$103,049 or 7.51% more than the \$1,372,439 received in FY 2023.

Business License Taxes (+1,901,535 more than FY 2023 Actual)

Business license Taxes (BLT) revenue in FY 2024 totaled \$23,755,728, which was \$1,901,535 or 8.7% more than the \$21,854,193 received in FY 2023. This increase was due primarily to the following: (1) Staff renewed 13,138 license applications in FY 2024 versus 12,799 in FY 2023; 2) A check at the nine month point of FY 2024 showed the average Business License Tax renewal averaging approximately nine percent and, (3) The average Business License tax renewal (including U1 monies) was approximately \$2,322 in FY 2024 versus \$2,335 in FY 2023.

After the FY2024 Mid-year budget results, the Business License Tax revenue projection was increased from \$21,560,783 to \$23,200,000.

Recreational Cannabis Taxes (-\$844,738 less than FY 2023 Actual)

Recreational Cannabis Taxes (BLT) revenue in FY 2024 totaled \$152,834, which was \$844,738 or 84.6% less than the \$997,572 received in FY 2023. This decline was due to Council adopting a temporary exemption from the collection of taxes under BMC Chapter 9.04.136(D) from non-medical and medical cannabis businesses. This temporary exemption was retroactive to January 2023.

As a result, the FY 2024 Recreational Cannabis Taxes projection was decreased from \$1,000,000 to \$112,000 after the FY2024 Mid-year budget results.

U1 Revenues (+\$477,554 more than FY 2023 Actual)

U1 revenues in FY 2024 totaled \$6,322,118, which was \$477,554 or 8.17% more than the \$5,844,564 received in FY 2023.

Vehicle In Lieu Taxes (+\$1,216,156 more than FY 2023 Actual)

Vehicle In Lieu Taxes (VLF) in FY 2024 totaled \$17,875,821, which was \$1,216,156 or 7.30% more than the \$16,659,665 received in FY 2023. This result was consistent with the County's Certification of Assessed Valuation (received in August 2022), which reflects growth of 7.256%. Changes in VLF revenues are based on the growth in assessed values.

Other Taxes (-\$257,739 less than FY 2023 Actual)

Other Taxes (excluding Redemptions-Regular) in FY 2024 totaled \$4,460,116, which was \$257,739 or 5.46% less than the \$4,717,855 received in FY 2023. The decrease was accounted for by the following: (1) an increase of \$352,722 in Parking Lot Taxes; (2) a decline of \$668,253 in BLT penalties; (3) a decline of \$111,768 in BLT interest; and, (4) and an increase of \$170,427 in Transportation Network Company User Tax (i.e., a tax on ride sharing companies enacted during the height of the COVID-19 pandemic).

The FY 2024 Other Taxes projection was increased after the FY2024 Mid-year budget results from \$2,593,129 to \$4,621,618.

Parking Fines (+\$158,517 more than FY 2023 Actual)

Parking Fines revenue in FY 2024 totaled \$6,034,375, which was \$158,517 or 2.7% more than the \$5,875,858 received in FY 2023. The primary reason for the increase was the increase in ticket writing in FY 2024.

For FY 2024, ticket writing increased by 18,520 or 14.9% from 124,603 in FY 2023 to 143,123 in FY 2024, as follows:

	July	Aug	Sept	Oct	Nov	Dec	Subtotal
FY 2024	12,582	14,180	13,235	13,063	12,472	11,688	77,220
FY 2023	8,939	9,706	9,430	10,916	10,965	10,250	60,206
Difference	3,643	4,474	3,805	2,147	1,507	1,438	17,014
% Difference	40.8%	46.1%	40.3%	19.7%	13.7%	14.0%	28.3%

	Jan	Feb	Mar	Apr	May	June	Total
FY 2024	11,270	11,657	12,278	13,002	11,593	6,103	143,123
FY 2023	9,742	9,764	11,514	10,717	11,576	11,084	124,603
Difference	1,528	1,893	764	2,285	17	-4,981	18,520
% Difference	15.7%	19.4%	6.6%	21.3%	.1%	-44.9%	14.9%

Ambulance Fees (+\$2,767,548 more than FY 2023 Actual)

Ambulance Fees revenue in FY 2024 totaled \$7,910,668, which was \$2,767,548 or 53.8% more than the \$5,143,120 received in FY 2023. This increase was primarily due to (1) an increase of 495 or 8.4% in the number of transports in FY 2024, from 5,879 to 6,374; and (2) the Public Provider Ground Emergency Medical Transportation (PPGEMT) program replaced the Quality Assurance Fee Program (QAF); The MEDI-CAL and MCAL HMO reimbursement rate increased to \$1,062 under the PPGEMT Program from \$339 under the QAF Program in FY 2023; There were additional rate increases effective April 1, 2023 and November 1, 2023.

As a result, the FY 2024 Ambulance Fee revenue projection was increased after the FY2024 Mid-year budget results from \$5,350,779 to \$7,234,813.

Interest Income (+\$3,038,974 more than FY 2023 Actual)

For the FY 2024, Interest Income totaled \$15,155,999, which was \$3,038,974 or 25.1% more than the total of \$12,117,025 received in FY 2023. This increase was primarily attributable to a significant increase in average interest rates earned after the Federal Reserve raised interest rates sharply between March 17, 2022-July 26, 2023. Primarily as a result of the Fed's actions, the net interest rate earned by the City increased from a range of 1.84%-3.06% during FY 2023, to a range of 2.84%-3.44% during FY 2024, as reflected in the Monthly Net Interest Rate Earned table below. In addition, the increase was partially attributable to an increase in interest income received from its short-term balances in its Fidelity Money Market Fund and interest earned from the Custodial Bank, as a result of the inversion of the yield curve for most of the year (i.e, where short-term rates were greater than long-term rates):

Monthly Net Interest Rate Earned:

FY	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
2024	3.10%	3.02%	2.95%	2.95%	2.88%	2.84%	3.18%	3.05%	3.11%	3.24%	3.33%	3.44%
2023	1.84%	2.03%	1.97%	2.26%	2.39%	2.62%	2.74%	2.71%	2.83%	2.94%	3.06%	3.04%

The FY 2024 Interest Income projection was increased from \$8,826,211 to \$14,000,000 after the FY2024 Mid-year budget results.

Indirect Cost Reimbursements (-\$37,887 less than FY 2023 Actual)

IDC Reimbursement (IDC) decreases result from decreases in the indirect cost allocation base (i.e., total direct salaries and wages in the fund), a decrease in the indirect cost rate or a combination of decreases or increases in both factors.

Indirect Cost Reimbursements (IDC) in FY 2024 totaled \$6,720,690, which was \$37,887 or .56% less than the \$6,758,577 received in FY 2023. This decrease was primarily accounted for by the decrease in the indirect cost allocation rate for the Marina Fund from 25% to 17%, which more than offset an increase of 3.9% in the total indirect cost allocation base (total direct salaries and wages) from \$30,332,425 in FY 2023 to \$31,515,239 in FY 2024.

The FY 2024 IDC revenue projection was increased after the FY2024 Mid-year budget results from \$6,104,970 to \$6,893,749.

Transfers (-\$3,254,661 less than FY 2023 Actual)

Transfers from other funds in FY 2024 totaled \$13,591,924 which was \$3,254,661 or 19.3% less than the \$16,846,585 received in FY 2023. This was primarily attributable to (1) a decline of \$8,766,305 in the Transfer from the American Rescue Plan Fund to recover from the impact of the COVID-19 pandemic from \$12,022,049 in FY 2023, to \$3,255,744 in FY 2024; and, (2) an increase of \$5,500,000 in transfers from the Workers' Compensation Fund in FY 2024.

Other Revenues (-\$2,154,434 less than FY 2023 Actual)

Other Revenues primarily consist of licenses and permits; grants; preferential parking fees; general government charges for services; public safety charges for services; health charges for services; culture and recreation charges for services; rents and royalties; and other miscellaneous revenues that are not considered major.

Other Revenues in FY 2024 totaled \$6,889,503 which was \$2,154,434 or 23.82% less than the \$9,043,937 received in FY 2023. This decrease of \$2,154,434 was primarily attributable to (1) operating grants of \$1,062,914 received in FY 2023, but not in FY 2024; (2) a total of \$415,872 for work for private parties received in FY 2023 versus \$2,197 received in FY 2024; and (3) an increase of \$687,680 in the premium received on the issuance of the Tax and Revenue Anticipation Notes (TRAN) in FY 2023. The premium paid to the City was not actually revenue; it was a liability that was paid by the purchaser of the City's Notes when the coupon interest rate was higher than the market rate when the Notes were issued. It was appropriately used to offset the interest expense paid by the City on the Notes, rather than being recorded as revenue.

5 YEARS PROJECTED GENERAL FUND REVENUES

	Projected General Fund Revenue						
	FY 2024 Adopted	FY 2024 Actual	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Undesignated Revenues							
Secured Property Taxes	84,725,717	84,850,061	90,271,980	95,236,939	98,570,232	102,020,190	105,590,896
Supplemental Taxes	3,400,000	2,842,273	2,700,000	3,400,000	3,400,000	3,400,000	3,400,000
Unsecured Property Taxes	3,806,995	4,506,444	4,648,038	4,648,038	4,648,038	4,648,038	4,648,038
Property Transfer Taxes	12,500,000	17,549,598	18,000,000	18,900,000	19,845,000	20,837,250	21,879,113
Property Transfer Tax - Measure P	10,189,500	6,272,861	8,199,600	8,609,580	9,040,059	9,492,062	9,966,665
Sales Taxes	19,654,225	18,717,040	18,490,000	19,025,000	19,321,000	19,597,000	19,840,000
Soda Tax	1,147,387	1,101,210	1,147,387	1,147,387	1,147,387	1,147,387	1,147,387
Utility Users Taxes	17,454,320	17,209,441	17,200,000	17,200,000	17,200,000	17,200,000	17,200,000
Transient Occupancy Taxes(TOT)	8,374,588	8,224,852	8,624,591	8,797,083	8,973,024	9,152,485	9,335,535
TOT Rebates		-1,245,529	-1,160,450	-1,195,264	-1,231,122	-1,268,055	-1,306,097
Short-term Rentals	1,400,000	1,475,488	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Business License Taxes	21,560,783	23,755,728	23,700,000	23,700,000	23,700,000	23,700,000	23,700,000
Recreational Cannabis	1,000,000	152,834	160,000	160,000	160,000	160,000	160,000
Measure U1	5,900,000	6,322,118	6,300,000	6,300,000	6,300,000	6,300,000	6,300,000
Vacancy Tax					5,000,000	5,150,000	5,304,500
Other Taxes	3,424,570	5,302,910	5,453,059	5,453,059	5,453,059	5,453,059	5,453,059
Vehicle In Lieu Taxes	17,811,134	17,875,821	19,172,891	20,227,400	20,935,359	21,668,096	22,426,479
Parking Fines - Regular Collections	5,800,000	6,034,375	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000
Parking Fines - Booting Collections	-	-	-	-	-	-	-
Moving Violations	132,600	166,152	132,600	132,600	135,252	137,957	137,957
Ambulance Fees	5,350,779	7,910,668	7,856,365	7,856,365	7,856,365	7,856,365	7,856,365
Interest Income	8,826,211	15,155,999	14,000,000	13,500,000	12,500,000	12,500,000	12,500,000
Franchise Fees	1,720,056	2,008,162	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Other Revenues	7,668,797	6,889,503	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Indirect cost reimbursements	6,104,970	6,720,690	6,855,104	6,992,206	7,132,050	7,274,691	7,420,185
Transfers	8,091,924	13,591,924	10,355,777	4,472,621	4,562,074	4,562,074	4,653,315
Total Undesignated Revenues	256,044,556	273,390,623	278,606,941	281,063,013	291,147,777	297,488,599	304,113,397
Designated Revenues							
Prop. Transfer Taxes for capital imp	10,373,786		1,000,000	3,000,000	5,000,000	5,000,000	5,000,000
Total Designated Revenues	10,373,786	0	1,000,000	3,000,000	5,000,000	5,000,000	5,000,000
TOTAL REVENUES AND TRANSFERS	266,418,342	273,390,623	279,606,941	284,063,013	296,147,777	302,488,599	309,113,397

Secured Property Taxes

The collapse in the real estate market during the third and fourth quarters of FY 2023 continued throughout FY 2024 (discussed below in the Property Transfer Tax section), and resulted in a decline in Secured Property Tax revenue growth from 10.8% in FY 2023 to 7.256% in FY 2024. Staff projects growth of 6.39% in FY 2025, growth of 5.5% in FY 2026, and growth for FY 2027 through FY 2029 of 3.5%.

Sales Taxes

This revenue source is back to pre-pandemic levels. However, for FY 2024, Sales Tax revenue totaled \$18,717,040, which was \$477,931 or 2.5% less than the \$19,194,971 received in FY 2023. After the first quarter of FY 2024, the City's Sales Tax Consultant noticed a significant softening of sales in several categories since the FY 2024 Adopted Budget was passed, and the Sales Tax revenue projection was lowered. The \$18,717,040 actual revenue was better than the City's Sales Tax Consultant's revised FY 2024 projection of \$18,540,921. Key FY 2024 Sales Tax Category declines were the following: General Retail was down 7.8%; Food Products was down 1.1%; Transportation was down 15.7%; Construction was down 3.7%; and, Business to Business was down 4.9%.

Sales Tax revenue is projected to decrease 1.2% in FY 2025, increase 2.9% in FY 2026, increase 1.6% in FY 2027, increase 1.4% in FY 2028 and increase 1.2% in FY 2029.

Business License Taxes

Business license Taxes (BLT) revenue in FY 2024 totaled \$23,755,728, which was \$1,901,535 or 8.7% more than the \$21,854,193 received in FY 2023. This increase was due primarily to the following: (1) Staff renewed 13,138 license applications in FY 2024 versus 12,799 in FY 2023; (2) A check at the nine month point of FY 2024 showed the average Business License Tax renewal averaging

approximately nine percent and, (3) The average Business License tax renewal (including U1 monies) was approximately \$2,322 in FY 2024 versus \$2,335 in FY 2023.

Staff is projecting flat growth in Business License Tax revenue from FY 2025 through FY 2029. Long-term projections will be adjusted as the impact of the recent dramatic interest rates changes on the post-pandemic economic environment becomes clearer.

Transient Occupancy Tax

Gross Transient Occupancy Tax (TOT before rebates are subtracted) revenue in FY 2024 totaled \$8,224,852, a decline of \$446,837 or 5.2% from the gross TOT revenue of \$8,671,689 received in FY 2023. The primary reason for the decline of \$446,837 was that the gross TOT reported in FY 2024 for the six largest hotels in Berkeley increased by only \$48,661 or .7%, from \$7,256,856 in FY 2023 to \$7,305,517. Staff is projecting annual gross growth (TOT revenue increase (TOT before deducting rebates owed) of 4.9% in FY 2025, and 2% from FY 2026 through FY 2029. Staff will continue to monitor the major hotels' projections of future occupancies and will adjust long-term projections as necessary.

Utility Users Tax

Staff projects UUT revenue to be flat in FY 2025 through FY 2029, after jumping to a significantly higher level in FY 2023 due to rate increases approved by the Public Utilities Commission and higher usage due to colder-than-normal temperatures.

Property Transfer Tax

The dramatic slowdown in the real estate market that began in the third and fourth quarters of FY 2023 continued throughout FY 2024, primarily due to the Federal Reserve Board keeping the Federal Funds rate at a range of 5.25%-5.50%. This kept mortgage rates high and significantly slowed real estate activity.

During FY 2024, Property Transfer Tax totaled \$17,528,223, which was \$5,350,113 or 23.4% less than the \$22,878,336 received in FY 2023.

The primary reasons for the \$5,350,113 decrease in Property Transfer Tax were the following: The dollar value of property sales decreased by \$.433.2 billion or 26.2%, from \$1.655.8 billion in FY 2023 to \$1.222.6 billion in FY 2024; There were 11 property sales of \$10 million or more, with total sales of \$421 million in FY 2023 compared to five property sales of \$10 million or more, with total sales of \$89.9 million in FY 2024; and, The number of property sales transactions decreased by 83 or 10.0% from 833 in FY 2023 to 750 in FY 2024.

This decline in real estate activity was generally attributed to high mortgage rates and a slowing economy resulting from the Federal Reserve Board's aggressive actions to reduce the money supply and slow down the US economy in order to reduce inflation, by sharply raising interest rates and selling \$95 billion/month of Agency and Mortgage-Backed Bonds from its Balance Sheet.

Over the 5 years prior to the pandemic, Property Transfer Tax revenues grew 6% per year on average, but the high level of mortgage rates makes potential real estate buyers and sellers reluctant; the reduced activity will continue to negatively impact sales prices and volumes somewhat in the next few years. After the sharp decline in FY 2023 and FY 2024, staff projects an 8.26% increase in FY 2025, an increase of 15.26% in FY 2026, an increase of 13.45% in FY 2027, and 4.0% increases in FY 2028 and FY 2029.

Staff expects growth in revenues from Measure P supplemental tax on high value property transfers of 30.7% in FY 2025 and then increases at a rate of 5% from FY 2026 through FY 2029.

Interest Income

The sharp rise in interest rates triggered by the Feds is a double-edged sword: While the rise in interest rates negatively impacts the City's Property Transfer Taxes (through less property sales) and Secured Property Taxes and Vehicle In Lieu Taxes (through lower assessed values), it results in an increase in Interest Income. For FY 2024, Interest Income totaled \$15,155,999, which was \$3,038,974 or 25.1% more than the \$12,117,025 received in FY 2023. It was also \$6,329,788 more than the adopted budget amount of \$8,826,211.

The Feds changed monetary policy and started by lowering the Federal Funds rate by .50%, from a range of 5.25%-5.50% to 4.75%-5.00% on September 18, 2024. The Fed's economic model projects that the Federal Funds rate will be at 4.4% by the end of CY 2024 (which assumes a .50% decline at the November 2024 Fed meeting), drop to 3.4% by the end of CY 2025, and be at 2.9% by the end of CY 2026 and CY 2027. However, staff believes the following: (1) the Feds will lower the Federal Funds rate by .25%, instead of .50%, at the November 2024 Feds meeting, and be at a range of 4.50%-4.75% by the end of CY 2024; or (2) the Feds will leave the Federal Funds rate unchanged at the November 2024 Feds meeting, at a rate of 4.75%-5.00% by the end of CY 2024. Staff locked in a significant portion of the City's portfolio at rates ranging between 4% and 5%. Those securities will be unaffected by the Fed's moves to lower short-term interest rates. Staff's projected interest income assumes a 7.6% decline in FY 2025, a decline of 3.57% in FY 2026, a decline of 7.4% in FY 2027 and flat growth in FY 2028 and FY 2029.

Ambulance Fees

Ambulance Fees revenue in FY 2024 totaled \$7,910,668, which was \$2,767,548 or 53.8% more than the \$5,143,120 received in FY 2023. This increase was primarily due to (1) an increase of 495 or 8.4% in the number of transports in FY 2024, from 5,879 to 6,374; and (2) the Public Provider Ground Emergency Medical Transportation (PPGEMT) program replaced the Quality Assurance Fee Program (QAF); The MEDI-CAL and MCAL HMO reimbursement rate increased to \$1,062 under the PPGEMT Program from \$339 under the QAF Program in FY 2023; There were additional rate increases effective April 1, 2023 and November 1, 2023.

Staff is projecting flat Ambulance Fees revenue in FY 2025 through FY 2029.

Conclusion

Projecting revenues many years into the future is inherently difficult to do with accuracy, as shifts in the macroeconomic environment can cause asset valuations and economic output to fluctuate in ways not able to be anticipated at the time projections are made. Staff use the best assumptions available, based on historic trends, observation of leading economic indicators, and known changes in the regulatory environment. The current environment, however, presents heightened uncertainty due to several macroeconomic factors that could impact future City revenues.

First, while the health emergency related to the COVID-19 pandemic has finally receded, and the restrictions that had constrained economic activity have been lifted, there is a possibility that the local economy has been reshaped in ways that will not return to a pre-pandemic "normal." The increase in telecommuting that occurred in the past couple of years may not fully recede. This could have effects

on spending activities of residents and employees of City businesses and institutions, as well as the desirability of certain locations for home purchases. City management continues to study and analyze these trends, and will make adjustments as more data comes in.

Second, as reported last year, inflation rose to unacceptably high levels, causing the Federal Reserve Board to tighten monetary policy significantly to combat inflation. As a result, the Feds raised interest rates from a range of 0%-.25% in March 2022 to a range of 5.25%-5.50% before the Feds made the first move in four years to lower them by .50% on September 18, 2024. During this period the average mortgage rose from a little over 4.1% to as high as 8.0%; currently, a 15-year fixed mortgage is around 6.15% and a 30-year fixed mortgage is around 6.62%. In addition to raising interest rates between March, 2022 and July 2023, the Feds began a program to sell \$95 billion/month (or \$1.14 trillion) of Agency and Mortgage-Backed Bonds from its Balance Sheet, which increased the supply of these securities and put additional upward pressure on long-term rates, such as mortgage rates. This significantly reduced consumer spending and real estate market activity in the City and the Bay Area.

Fortunately, the Feds partially alleviated this problem in June 2024 by slowing the pace of asset paring to \$60 billion/month and eliminating the securities as they matured (instead of selling them), without reinvesting the proceeds. However, the Feds Balance Sheet currently consists of \$7.4 trillion of Treasury Bonds and Mortgaged-backed Bonds that need to be unwound to a level close to the \$.9 trillion level that existed before the federal government spending responses to the 2008 financial crisis and the COVID-19 pandemic.

Third, gigantic and ongoing federal budget deficits, stubborn inflation and the Federal Reserve Board's slowness in loosening monetary policy have replaced the COVID-19 pandemic as the biggest headwinds to economic growth in the City in the near term. The Feds Chairman previously said the Feds would keep interest rates at a high level until its preferred inflation index (i.e., Core Personal Consumption Expenditure Index or core PCE Index) declines at or below its target of 2%, and the Feds is convinced it will remain so. It reached 2.70% at the end of August 2024 (it was 3.88% at the same time last year), but it is still significantly above the Feds target rate. Despite that, the Feds lowered the Federal Funds rate by .50% on September 18, 2024.

Staff believes the Feds has engineered a soft landing for the economy (i.e., Reducing inflation, and slowing the economy by tightening the money supply, but not creating a recession), and that there will be no recession in the near future, assuming the US does not face some major, unexpected catastrophic event (s). However, the out-of-control federal deficit spending is concerning and staff believes this situation will not only impact major General Fund revenues in the future, but may start affecting federal and state grant funding for City programs: (1)The projected \$1.8 trillion federal budget deficit for the upcoming fiscal year will require the issuance of an additional \$1.8 trillion in Treasury Bonds to fund the deficit; and, (2) Another concern is the potential impact from the November 2024 presidential election. Specifically, both candidates have promised significant tax cuts and credits, which if enacted, could significantly increase the federal budget deficit and put even more upward pressure on long-term interest rates. This additional huge need to issue bonds will overwhelm demand for Treasury Bonds and put further upward pressure on long-term interest rates. Declines in short-term interest rates will not necessarily result in a decline in long-term interest rates, like mortgage rates. In fact, since the Fed lowered the Federal Funds rate by .50% on September 18, 2024, mortgage rates have actually increased by approximately .50%.

Although the Federal Reserve Board changed monetary policy and started the loosening process by lowering the Federal Funds rate by .50% on September 18, 2024, as discussed under Secured Property Taxes, Property Transfer Taxes and Interest Income, the upward pressure on mortgage rates will likely continue and will result in lower growth rates for projected Secured Property Taxes, Vehicle In Lieu Taxes and Property Transfer Taxes, until mortgage rates decline significantly. As a result, the City General Fund has, at least for the near term, lost its three primary drivers of significant annual growth, and the overall growth in General Fund revenue will struggle to remain positive. One positive outcome from this situation has been a significant surge in Interest Income in FY 2023 and FY 2024, and that is expected to continue at least in the near term.

Fourth, wars in the Middle East between Israel and Hamas in Palestine and Israel and Hezbollah in Lebanon, and maybe Israel and Iran in the coming weeks, have joined the continuing war in Europe between Ukraine and Russia. This situation and the manipulation of oil supplies by OPEC+ have the potential to dramatically reshape global markets, especially if Russian and/or Iranian oil and natural gas are cut off from the rest of the world. This would drive fuel and transportation prices higher, with downstream effects on the prices of most goods. This could keep the inflation rate and interest rates higher for a longer period of time, and negatively impact consumer spending.

Any one or a combination of these factors could necessitate further revision of the projections presented here. Staff will continue to monitor the revenues we actually receive and changes in the economic environment, so that we may update or revise our projections if changes in our forecasts are warranted.

City Council Fiscal Policies

On June 28, 2022, the City Council adopted Resolution No. 70, 442-N.S, which codified the adoption of the FY 23 and FY 24 Biennial Budget and revised fiscal policies as outlined below:

1. Focusing on the long-term fiscal health of the City by adopting a two-year budget and conducting multi-year planning
2. Building a prudent reserve based upon the City's adopted General Fund Reserve policy and using the goal of reaching a reserve of 30% of General Fund revenues by 2027 as a guideline.
3. Developing long-term strategies to reduce unfunded liabilities.
4. Controlling labor costs while minimizing layoffs and promoting recruitment and retention of City staff.
5. Primarily allocating one-time revenue for one-time expenditures (e.g., capital investments and deferred maintenance).
6. Requiring enterprise and grant funds to balance and new programs to pay for themselves.
7. Any new expenditure requires new revenue or expenditure reductions.
8. Property transfer tax:
 - A. Allocate excess property transfer tax over the baseline to short-term operational needs, General Fund reserves and the City's capital infrastructure plan, including funding an approach to returning and maintaining the City's roads at an acceptable Pavement Condition Index.
 - B. Increase the property transfer tax baseline for operational needs to \$18.0 million for fiscal years 2023 and 2024, with a permanent adjustment to \$16.0 million beginning in fiscal year 2025.
9. Revenue generated from Measure P is excluded (exempt) from this policy.
10. As the General Fund subsidy to the Safety Members Pension fund declines over the next several years, the amount of the annual decrease will be used to help fund the new Police Employee Retiree Health Plan.
11. Allocating annual savings derived from the prepayment of the annual CalPERS unfunded liability payments to the City's Section 115 Pension Trust up to \$5.5 million per fiscal year or as advised by the City's actuarial and staff.
12. Allocating any additional revenue earned from investments that is over the annual (fiscal year) baseline of \$6 million in the following manner:
 - a. 1/3 to the Section 115 Pension Trust up to \$5.5 million per fiscal year or as advised by the City's actuarial and staff,

- b. 1/3 to General Fund reserves up to 30% of General Fund revenue or as recommended by Council policy, and
- c. 1/3 to address the City's capital infrastructure plan.

RESOLUTION NO. 67,821-N.S.

ESTABLISHING THE CITY COUNCIL'S POLICY FOR THE GENERAL FUND RESERVES

WHEREAS, the General Fund Reserves ensure the City's ability to maintain vital services to the community during times of economic uncertainty; and

WHEREAS, the City is committed to achieving long-term fiscal stability as well as mitigating the negative impacts of extraordinary risk such as earthquakes, fires, and floods; and

WHEREAS, the prior General Fund Reserve level of 8% is not consistent with GFOA's best practice recommended minimum General Fund Reserve level of 16.7%; and

WHEREAS, specific portions of the reserve should be designated for catastrophic and stabilization purposes and should be reported separately from the General Fund Balance; and

WHEREAS, the use and replenishment of the General Fund Reserves should be defined.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the attached exhibit titled General Fund Reserve Policy is hereby adopted.

The foregoing Resolution was adopted by the Berkeley City Council on January 24, 2017 by the following vote:

Ayes: Bartlett, Davila, Droste, Hahn, Maio, Wengraf, Worthington and Arreguin.

Noes: None.

Absent: None.



Jesse Arreguin, Mayor

Attest: 

Mark Numainville, City Clerk

City of Berkeley General Fund Reserve Policy

Policy

The General Fund is the City's primary operating fund. It is not connected to any one revenue source and may be used at the City's discretion. The General Fund is the operation fund that pays for general services provided by the City as well as public safety and capital improvements. The General Fund accounts for all general revenues and expenditures of the City related to the delivery of the City's general services not specifically collected or levied for other City funds.

The City of Berkeley is committed to achieving long-term fiscal stability as well as mitigating the negative impacts of extraordinary risk such as earthquakes, fires, floods, and economic volatility. A key attribute of a financially stable organization is appropriate reserves. Strong reserves position an organization to weather significant economic downturns more effectively, manage the consequences of outside agency actions that may result in revenue reductions, and address unexpected emergencies such as natural disasters and other catastrophic events. Establishing an adequate General Fund reserve policy allows the City to mitigate current and future financial risks resulting from economic instability or catastrophic loss.

Functions of Reserves: Stability and Catastrophic

The City of Berkeley will establish and maintain an adequate General Fund Reserve ("Reserve") to prepare for the impact of economic cycles and catastrophic events and assure fluctuations in revenue do not impede the City's ability to meet expenditure obligations. When revenues fail to meet the City's normal operating requirements, or the need for disbursements temporarily exceeds receipts, General Fund reserves, upon a two-thirds vote of the City Council, may be used in accordance with the standards set forth herein.

The Reserve shall be comprised of two elements: a Stability Reserve and a Catastrophic Reserve. The Reserve shall not be used for ongoing or new programs or services.

A Stability Reserve will be maintained to mitigate loss of service delivery and financial risks associated with unexpected revenue shortfalls during a single fiscal year or during a prolonged recessionary period. The purpose of the Stability Reserve is to provide fiscal stability in response to unexpected downturns or revenue shortfalls, and not to serve as a funding source for new programs or projects.

A Catastrophic Reserve will be maintained for the purpose of sustaining General Fund operations in the case of a public emergency such as a natural disaster or other

catastrophic event. The Catastrophic Reserve will be used to respond to extreme, onetime events, such as earthquakes, fires, floods, civil unrest, and terrorist attacks. The Catastrophic Reserve will not be accessed to meet operational shortfalls or to fund new programs or projects.

Funding and Functions that are NOT Part of the General Fund Reserves

Not included in the General Fund Reserves are funds that are set aside for a specific purpose. This would include restricted, committed, and assigned funds.

- The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action by the City Council.
- Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Target Reserve Levels

The General Fund Reserve consists of the total of the Stability Reserve and the Catastrophic Reserve. 55% of the Reserve shall be allocated to the Stability Reserve and 45% to the Catastrophic Reserve.

Effective immediately, the target level for the Reserve shall be a minimum of 13.8% of 2017 Adopted General Fund Revenues with an Intermediate Goal of a minimum of 16.7% by the end of Fiscal Year 2020, if financially feasible.

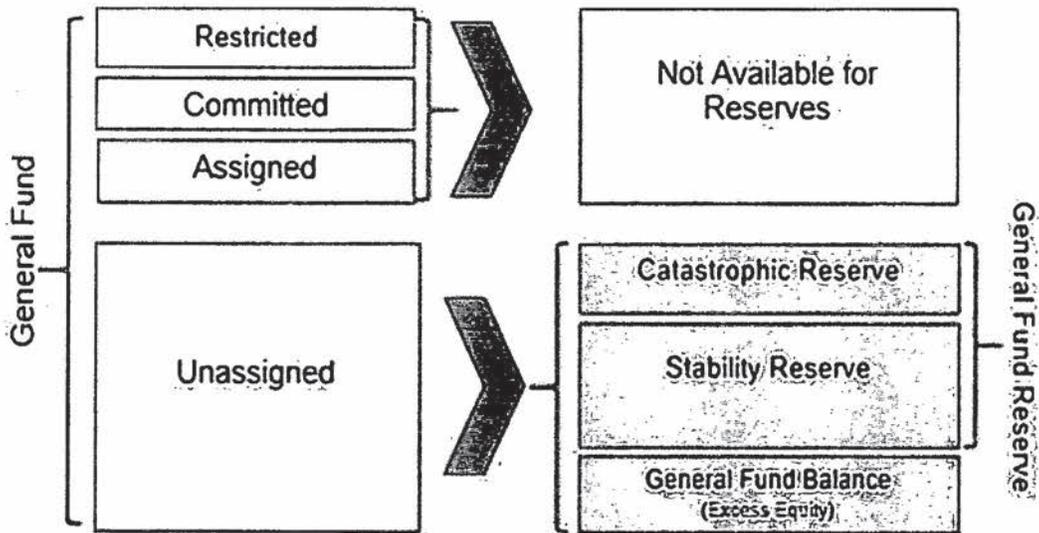
The Council hereby adopts a Long Term Goal of a Reserve of a minimum of 30% of General Fund Revenues, to be achieved within no more than 10 years. Based on a risk assessment (according to best practices), to be updated at least every five years, the Council may consider increasing or lowering the General Fund Reserve level.

Starting in Fiscal Year 2018, to achieve the City's Intermediate and Long Term Reserve Goals, 50% of Excess Equity above the first \$1M shall be allocated to Reserves. Additional Excess Equity may be allocated to Reserves by a majority vote of the City Council.

Methodology to Meet Reserve Levels

The General Fund Reserve is separate from the General Fund Balance. The sum of the Stability Reserve and the Catastrophic Reserve and the amount determined to be

Excess Equity is deemed to be General Fund Unassigned Fund Balance. Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. The following graphic shows the relation between these funds as well as other restricted, committed, and assigned general fund monies.



Excess Equity is most commonly a non-recurring source of revenue and shall only be used for one-time, nonrecurring expenditure needs of the City. Excess Equity should be reported separately from the General Fund Reserves .

Attaining the Long Term Goal of 30% Reserves is important to the long-term financial health and stability of the City

Replenishment of the General Fund Reserves

The City Manager shall recommend a replenishment schedule for all monies proposed for appropriation from the General Fund Reserves. The replenishment schedule shall be adopted simultaneous with the appropriation to withdraw Reserve funds or, if infeasible due to emergency circumstances, no more than 3 months from the date of the withdrawal appropriation. Repayment shall begin no more than 5 years from the date of withdrawal and be completed within 10 years from the date of withdrawal.

While staff envisions that, in most cases, repayment will start as soon as possible, the repayment guidelines are meant to reflect a commitment to maintain a sufficient Reserve, while also recognizing that a use of Reserve funds may occur during an economic downturn and it may be necessary to postpone repayment while the economy improves.