



Office of the City Manager

Date: May 14, 2026  
To: Budget & Finance Policy Committee  
From: Paul Buddenhagen, City Manager  
Submitted by: Maricar Dupaya, Budget Manager  
Subject: Proposed FY 2027 and FY 2028 Biennial Budget

### RECOMMENDATION

Request that the Budget & Finance Policy Committee receive, review, and discuss the City Manager's Proposed FY 2027 and FY 2028 Biennial Budget.

### FISCAL IMPACTS OF RECOMMENDATION

The Proposed Budget outlines planned citywide expenditures for Fiscal Years 2027 and 2028, including General Fund (GF) expenditures. Fiscal impacts may change based on Committee and Council direction and will be finalized with budget adoption on June 23, 2026.

### CURRENT SITUATION AND ITS EFFECTS

The Proposed Biennial Budget addresses the projected deficits and includes the proposed budget balancing plan, projected revenues, proposed expenditures; and proposed staffing levels.

Several staff presentations to the Budget and Finance Policy Committee informed the development of the Proposed FY 2027 & FY 2028 Biennial Budget:

- FY 27 – FY 28 Biennial Budget Process and Overview<sup>1</sup>
- Parking Funds Update<sup>2</sup>
- Marina Fund Update<sup>3</sup>

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<sup>1</sup> <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/2025-09-11%20Item%2003%20FY%2027-28%20Biennial%20Budget%20Process%20and%20Overview%20-%20Pres.pdf>

<sup>2</sup> <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/2025-10-28%20Item%2002%20Parking%20Funds%20Update%20Presentation.pdf>

<sup>3</sup> <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/2025-10-28%20Item%2003%20Marina%20Fund%20Update%20Presentation.pdf>

- Establishing the use of GF Unassigned Fund Balance (Operating Reserve) to offset projected FY 2027 GF deficit<sup>4</sup>.
- Update on Behavioral Health Services Act Funding and Budget Overview<sup>5</sup>
- FY 2027 – FY 2028 Budget Update after development of baseline budget<sup>6</sup>
- General Fund Revenue Update and Overview of Revenue Enhancements<sup>7</sup>
- Overview of Fund 501 (Capital Improvement Fund)<sup>8</sup>
- ODPa FY 2027 - 2028 Budget & Reduction Proposals and City Auditor FY 2027 - 2028 Budget Reductions<sup>9</sup>
- City Manager's FY 2027 & FY 2028 Budget Balancing Plan<sup>10</sup> and presentation<sup>11</sup>
- FY 2027 and FY 2028 City Attorney Budget<sup>12</sup>

## CONCLUSION

The Budget and Finance Policy Committee and the City Council will continue deliberations on the Proposed Budget before its final adoption on June 23, 2026.

The sequence of meetings below provides for public input, Committee input and Council direction, and refinement of the Proposed Budget prior to adoption.

<sup>4</sup> <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/2025-11-06%20Item%2002a%20First%20Amendment%20to%20the%20FY%202026%20Annual%20Appropriations%20Ordinance%20%28AAO%231%29.pdf>

<sup>5</sup> <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/2025-11-06%20Item%2003%20Update%20on%20Behavioral%20Health%20Services%20Act%20Funding%20and%20Budget.pdf>

<sup>6</sup> [https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/Item%2002%20BFPC-FY2728%20Budget%20Update\\_Final\\_01.22.26.pdf](https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/Item%2002%20BFPC-FY2728%20Budget%20Update_Final_01.22.26.pdf)

<sup>7</sup> <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/Item%2002%20General%20Fund%20Revenue%20Update%20and%20Overview%20of%20Revenue%20Enhancements%20%28Revenue%20Presentation%29.pdf>

<sup>8</sup> <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/Item%2003%20Overview%20of%20Fund%20501%20Capital%20Improvement%20Fund%200%28501%20Budget%20and%20Finance%20Comm%20Presentation%202-26-26%29.pdf>

<sup>9</sup> <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-agendas/2026-04-09%20Agenda%20Packet%20-%20Budget.pdf>

<sup>10</sup> <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-agendas/2026-04-16%20Agenda%20Packet%20-%20Budget.pdf>

<sup>11</sup> [https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/Item%2002%20Budget%26Finance-FY2728%20Budget%20Update\\_04.16.26%20%283%29.pdf](https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/Item%2002%20Budget%26Finance-FY2728%20Budget%20Update_04.16.26%20%283%29.pdf)

<sup>12</sup> <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/Item%2003%20CAO%20Budget%20Presentation.pdf>

- May 14, 2026 – Budget and Finance Policy Committee: Proposed Biennial Budget
- May 19, 2026 – City Council: Public Hearing No. 1 on Proposed Biennial Budget
- May 28, 2026 - Budget and Finance Policy Committee: Proposed 5-Year CIP
- June 9, 2026 – City Council: Public Hearing No. 1 on Proposed 5-Year CIP
- June 16, 2026 – City Council: Potential Discussion on Proposed Biennial Budget and 5-Year CIP
- June 23, 2026 – City Council: Public Hearing No. 2 and Adoption of Proposed Biennial Budget and 5-Year CIP

CONTACT PERSON

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