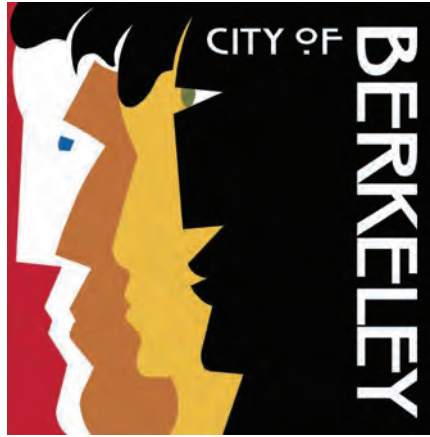


CITY OF BERKELEY

ADOPTED BUDGET FISCAL YEARS 2023 & 2024





CITY OF BERKELEY

ADOPTED BUDGET

FISCAL YEARS 2023 & 2024

PREPARED BY:

**The City Manager's Office
Office of Budget and Fiscal Management**

Budget Manager
Sharon Friedrichsen

Senior Management Analyst
Rama Murty

Senior Management Analyst
Maricar Dupaya

Associate Management Analyst
Michelle Rosete

Accounting Office Specialist III
Emelita Bersonda

Special thanks to Melissa McDonough, the Finance Department, Department Directors and their staff for their assistance and contributions in preparing this document.



City Manager
Dee Williams-Ridley

Deputy City Manager
Paul Buddenhagen

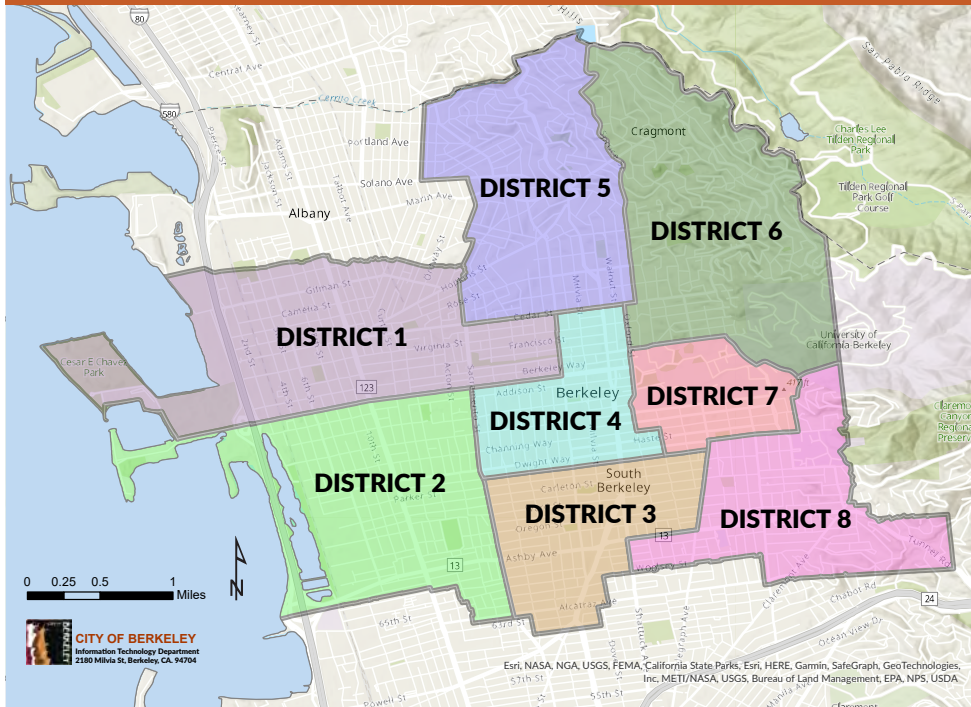
Deputy City Manager
LaTanya Bellow

City of Berkeley
City Manager's Office
2180 Milvia Street
Berkeley, CA 94704

Phone: TEL: (510) 981-7000
TDD: (510) 981-6903
FAX: (510) 981-7099

<https://berkeleyca.gov/your-government/financial-information/city-budget>

CITY OF BERKELEY COUNCIL DISTRICT BOUNDARIES



ELECTED OFFICIALS

COUNCILMEMBERS



Mayor
Jesse Arreguin



City Auditor
Jenny Wong



Rashi Kesarwani
(District 1)



Kate Harrison
(District 4)



Terry Taplin
(District 2)



Sophie Hahn
(District 5)



Ben Bartlett
(District 3)



Susan Wengraf
(District 6)



Rigel Robinson
(District 7)



Lori Droste
(District 8)

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BUDGET MESSAGE

Honorable Mayor Arreguín, Members of the City Council, and Berkeley Residents:

The Adopted Fiscal Years 2023 and 2024 (“FY 23 & FY 24”) operating and capital improvement program budget for the City of Berkeley is presented herein and incorporates revisions from the Proposed Biennial Budget as approved by the City Council on June 28, 2022. As part of the budget adoption, Council approved funding for the Mayor’s Supplemental Budget Recommendations and other recommended items as summarized in the “*Adopted Tier 1 Funding*” matrix (“matrix”) located on page 13 of this document. These funded items advance Council priorities, address critical operational and infrastructure needs and support the delivery of citywide services and programs.

Funding Recommendations and Council Priorities

As part of the budget process, City departments requested additional General Fund support over their baseline budgets to enhance service delivery, to respond to legislative mandates and to implement special projects. In addition, the City Council approved budget referrals throughout the year that were also considered as part of the budget process. These various funding requests were presented to Council as part of the FY 23 & FY 24 Proposed Budget and prioritized using a tier system, with Tier 1 categorized items recommended for funding based upon available resources.

Tier 1 items also refer to requests that pertain to a federal, state or locally mandated function; address public health and safety, critical operations and/or critical infrastructure needs; or generate revenue, are grant funded or leverage additional funding. In addition, Tier 1 items support the implementation of the City’s strategic plan and Council initiatives. The matrix outlines funding for augmentation of City staff, operational items and capital projects based upon these criteria.

Reimagining Public Safety Initiative

On July 14, 2020, the City Council made a historic commitment to reimagine the City’s approach to public safety with the passage of an omnibus package of referrals, resolutions and directions. Following this initial direction, Council provided additional guidance, including most recently on April 21 and May 5, 2022 respectively, based upon the work of the Reimagining Public Safety Task Force and the National Institute for Criminal Justice Reform recommendations. As a result, the biennial budget allocates funding to continue this goal and implement the Reimagining Public Safety pilot program. This includes establishing the Diversity, Equity and Inclusion Unit within the City Manager’s Office, funding for staffing within HHCS, Police and Public Works, dispatch and 911 calls needs assessments, support for community organizations for violence prevention and youth services and respite from gender violence and other programmatic components. The Strategic Plan also incorporates efforts by multiple City departments working collaboratively to achieve a new and transformative model of positive, equitable and community-centered safety for Berkeley.

Strategic Plan Goals

The Strategic Plan is the blueprint for the organization. It reflects Berkeley's values, provides a framework for the work that City employees accomplish and guides the City's budget allocation process. Examples of funding allocated as part of the adopted budget that help advance these ongoing goals include limited-term staffing and consultant support for transit-oriented development and affordable housing of the BART sites; project-based staffing to manage the State-funded encampment grant, Project RoomKey and other services for the unhoused; the development of a social housing policy; and the funding of electric charging infrastructure for the City's fleet of electric vehicles to address climate change and protect the environment. The latter is just one example of the City's efforts to continue to implement its climate action plan to help create a healthy and equitable urban community. Moreover, the biennial budget includes funding to support all of the City's goals:

- Create affordable housing and housing support services for our most vulnerable community members
- Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment
- Champion and demonstrate social and racial equity
- Provide an efficient and financially-healthy City government
- Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities
- Foster a dynamic, sustainable, and locally-based economy
- Create a resilient, safe, connected, and prepared City
- Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community
- Attract and retain a talented and diverse City government workforce

Capital Infrastructure Needs

The City maintains 215 miles of streets. Annual funding for street paving is typically \$7.0 million per fiscal year in recurring funding from both state and local sources. In addition to streets, the City maintains an extensive portfolio of capital assets that contribute to the City's vibrancy and enhance the community's quality of life including 53 miles of bicycle infrastructure; 50 acres of Marina harbor, 54 parks, 63 play areas, 38 public restrooms, 4 community centers, 3 resident camps and 2 pools.

As reported in the March 16, 2021 report to City Council on the City's Unfunded Liability Obligations and Unfunded Infrastructure Needs, due to a combination of the age of the City's infrastructure and limited resources allocated to infrastructure, the City's unfunded needs tied to infrastructure have increased over the years and is anticipated to range around \$1.1 billion from FY 2022 to FY 2026.

The Adopted Budget includes funding of \$18.3 million for street rehabilitation in FY 23, which includes \$7.1 million from the CIP Fund (\$2.1 million baseline and \$5.0 million additional funding), State gas tax, Measure BB and other sources. In FY 24, the CIP Fund contributes nearly \$11.0 million and funding from all sources total \$19.4 million.

While additional resources are necessary to address deferred maintenance needs, funding is also required to respond to several one-time critical public safety projects including the Jail Control Panel Replacement project, the Waterfront piling project; Telegraph/Channing Garage Elevator Repairs, and various traffic calming and improvement projects. In total, the General Fund supports funding of approximately \$14.0 million in capital projects each respective fiscal year funded by a portion of projected excess property transfer tax revenues.

Pension and Reserves

On June 26, 2018, the City Council authorized the City Manager to establish an IRS Section 115 Pension Trust Fund (Trust) to be used to help fund pension obligations (the fund can be utilized to help smooth volatility from year to year fluctuations in annual required contributions). The adopted biennial budget includes annual funding of \$2 million to the Trust. The Trust balance, as of June 30, 2021, is \$12.8 million. In FY 21, the City realized a discount of approximately \$1.3 million from the prepayment of the required CalPERS unfunded liability and anticipates achieving a similar discount from the FY 22 repayment that will be used to increase the Trust balance over the \$2 million budgeted in each fiscal year. This funding supports the Council fiscal policy to invest up to \$5.5 million per fiscal year or as advised by the City's actuarial and staff. In addition, the biennial budget allocates a portion of excess property transfer tax revenues to the reserves for a total proposed transfer of \$9.5 million over FY 23 and FY 24.

However, the ability to balance the budget is contingent on a multi-pronged strategy that includes expenditure reductions resulting from assumed savings from vacant positions and utilizing one-time revenues including excess property transfer taxes from FY 22 and remaining federal funding from the American Rescue Plan Act.

Operating Factors, Challenges and Budget Assumptions

Continued Response to COVID-19

The department budget narratives contained within this document illustrate the ongoing impacts of the pandemic on City operations and services. These narratives highlight the variety of strategies used by departments to continue to provide excellent service during the pandemic, including while adhering to social distancing protocols. They describe hybrid approaches delivering a combination of virtual and in-person services, many which will be used moving forward in order to enhance customer service, meet new service delivery expectations and improve operational efficiencies.

On the revenue-side, while revenues are projected to continue to improve, some General Fund revenues, such as sales and use tax and transient occupancy tax, still lag in terms of pre-pandemic levels of performance. While many of the COVID-19 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.

The City of Berkeley received federal funding under the American Rescue Plan Act (ARPA) of 2021 of approximately \$66.6 million, used in part to fund eligible programs and help offset revenue losses in order to balance the FY 22 budget. The biennial budget defers the partial use of ARPA funds until FY 24. In addition, the budget allocates fund balance from FY 22 excess property transfer tax over the baseline to address operational shortfalls in FY 23 and FY 24 to achieve a balanced budget. This required revisions to the Council's fiscal policies to (1) allocate excess property transfer tax over the baseline to short-term operational needs, General Fund reserves and the City's capital infrastructure plan and (2) Increase the property transfer tax baseline for operational needs to \$18.0 million for FY 23 & FY 24, with a permanent adjustment to \$16.0 million beginning in FY 25.

Maintaining Services

In addition to the pandemic, impacts to the provision of services and the implementation of programs and projects are compounded by staffing vacancies due to the phenomena known as the "Great Resignation" that both private and public sector organizations are facing. Another recent operational challenge relates to inflationary pressure increasing the cost and limiting the availability of various services and supplies. It is not yet clear if inflation is the temporary effect of disrupted supply chains caused by COVID-19 or a more long-lasting impact. International events also appear to impact fuel and transportation prices with downstream effects on the prices of most goods.

Maintaining staffing levels is also a challenge for many organizations. Based upon current and projected vacancies, the biennial budget assumes vacancy rates range from 0% to 8.5% among various departments in FY 23, decreasing to 7% for most departments in FY 24. This equates to a citywide average of 5% in both fiscal years resulting in a baseline savings of about \$8 million in FY 23 and \$7.5 million in FY 24. In addition, taking into consideration that positions added as part of the Tier 1 funding will not be completely filled at the beginning of the fiscal year, a savings of approximately \$2 million is factored in the overall savings resulting in projected salary savings of \$10 million in FY 23 and \$7.5 million in FY 24.

Budget Strategies

Consistent with prior years, the following budget strategies guided the development of the FY 23 and FY 24 Budget:

1. *Continue serving the community.* Public health and safety functions, as well as essential municipal services will be preserved to the maximum extent possible. In so doing, the City will make every effort to avoid service and workforce reductions.
2. *Live within our means.* Strive for long-term sustainability that aligns available resources with needs and the City's values that embrace a commitment to advancing racial and social equity, serving those who are most in need, and environmental sustainability.

3. *Identify expenditures that can be deferred.* Take a deferment first approach by thoroughly assessing expenditures with a special emphasis on large capital projects, equipment purchases, and new projects.
4. *Pursue other revenue and assistance.* Vigorously pursue cost recovery efforts, secure alternative sources of revenue, and be positioned to capitalize on federal and state assistance.
5. *Manage use of, and replenish, reserves.* In drawing on reserves, the City will adopt a long-term orientation to ensure that funds are available for the duration of the economic downturn. The City will look to its existing policies to ensure that any reserves that are utilized are restored when the economy improves.
6. *Be data-driven and transparent.* Budget decisions will be informed by data and be transparent. Staff will work collaboratively with the Budget and Finance Policy Committee with on-going communication and updates provided to the entire City Council.

Biennial Budget Summary

All Funds Budget

The City provides a variety of services to the Berkeley community and thus has a complex budget that includes various funding sources. These funds include the General Fund, Special Revenue Funds, Grants, Capital Funds, Debt Service, Enterprise Funds, Internal Service Funds and Agency Funds. Most of these funds are restrictive in purpose. All of these funds combined are considered to be the citywide (All Funds) budget. The FY 23 Adopted All Funds Budget totals \$608.1 million in revenue and \$754.2 million in operating and capital budget expenditures. The FY 24 Adopted All Funds Budget totals \$604.0 million in revenue while the operating and capital budget expenditures decreases to \$726.0 million. In both fiscal years, prior years savings (accumulated fund balance), bond proceeds collected in prior fiscal years and/or anticipated grant funding for offset the net increase in expenditures among the different funds to balance the budget. A detailed breakdown of the All Funds Revenue and Expenditure by fund is included in the Financial Summary section of the budget book.

All Funds	Fiscal Year 2022 Adopted	Fiscal Year 2023 Adopted	Fiscal Year 2024 Adopted
Revenues	595,202,825	608,069,933	603,820,083
Expenditures	673,601,287	754,176,626	725,972,990
Proposed Use of Fund Balance*	78,398,462	146,106,693	122,152,907

* Prior years savings (fund balance), bond proceeds collected in prior fiscal years and/or anticipated grant funding offset the additional increases in expenditures among the different funds to balance the budget.

General Fund Budget

A portion of the All Funds budget includes the General Fund. The General Fund comprises general-purpose revenues, such as taxes, fines and fees, interest and other income that may be used to support general governmental operations. The FY 23 Adopted General Fund Budget totals \$258.7 million in revenue and \$280.7 million in operating and capital budget expenditures. The FY 24 Adopted General Fund Budget totals \$262.2 million in revenue and \$274.0 million in operating and capital budget expenditures. Accumulated fund balance, largely from FY 22 Excess Property Transfer Tax, addresses the operational shortfall in both fiscal years, along with the use of remaining unspent ARPA funds in FY 24. A detailed breakdown of the General Revenues and Expenditure is included in the General Fund section of the budget book.

General Fund	Fiscal Year 2022 Adopted	Fiscal Year 2023 Adopted	Fiscal Year 2024 Adopted
Revenues	236,066,707	258,650,444	261,726,315
Expenditures	234,754,491	280,671,294	273,948,362
Proposed Use of Fund Balance*		22,020,850	12,222,046

*Use of fund balance from FY 22 Excess Property Transfer Tax in FY 23 and FY 24. FY 22 Excess Property Transfer Tax is estimated to be \$34 million over baseline. More information is available in the General Fund summary and the projected fund balance chart within this document.

Expenditures by Department

The largest expenditures using all funding sources include Public Works (approximately \$200 million in each fiscal year), Health, Housing and Community Services (approximately \$94 million each fiscal year), Police (approximately \$88 million each fiscal year) and Fire (approximately \$63 million each fiscal year). However, the General Fund expenditures differ slightly with the General Fund primarily supporting the Police Department (approximately \$83 million each fiscal year), Fire (approximately \$42 million each fiscal year) and Health, Housing and Community Services (approximately \$27 million each fiscal year).

Staffing

Given the breadth of services the City delivers, as a service organization, the majority of the City’s expenses relate to staffing. Salary and benefit costs total \$334 million and make up approximately 48% of the citywide (All Funds) budget and \$160 million or 57% of the General Fund in FY 23. In FY 24, salaries and benefits total \$342 million, or approximately 47% of the citywide budget.

The FY 2023 Adopted Budget includes funding for 1,792 full-time equivalent (FTE) positions. The largest departments in terms of staffing include Public Works (340 FTE), Police (313 FTE) and Health Housing & Community Services (266 FTE). Compared to FY 2022 Adopted Budget, FY 23 staffing increases by 132 FTE.

This growth is primarily within the Fire Department (50 FTE), which is undertaking a reorganizational effort to enhance services; the Police Department (25 FTE total) that including staffing for Reimagining Public Safety (16 FTE) and Public Works (17 FTE). The portion of staff allocated to the General Fund is approximately 728 positions, or 41%, of total FTE count while all other funds represent 1,064, or 59%, of the remaining positions. Adopted staffing in FY 2024 reflects a modest increase to 1,794 FTE. The ratio of staffing funded by the General Fund and other funds remains constant in FY 24.

Acknowledgements

The production of this budget is possible due to the professional and diligent efforts of the Finance Department and its Director Henry Oyekanmi in particular, and key individuals within my Office including staff within the Budget and Fiscal Management Division, led by Sharon Friedrichsen, Melissa McDonough for her unbounded energy to incorporate strategic planning and performance measures into the budget process and Deputy City Managers Paul Buddenhagen and LaTanya Bellow. Together they collaborated in finding solutions to balance the budget, to prioritize funding requests and to produce this comprehensive document. I would also like to commend the Department Directors and their staff for continuing to play an integral role in delivering services and managing their budgets so effectively.

I thank the various Department Directors, the City Auditor and Charter Officers and their collective staff for their cooperation during this budget process, including delivering high quality presentations to the Budget and Finance Policy Committee regarding the department's accomplishments, organizational challenges and funding needs. I also extend my appreciation to the members of the City's Budget and Finance Policy Committee whom have assisted staff in developing policy recommendations to address our unfunded needs the entire calendar year and during the critical budget development cycle in particular. Finally, I wish to acknowledge the City Council whose leadership in setting priorities and fiscally managing the organization provided the framework necessary to create this budget.

Conclusion

The biennial budget is balanced largely due to assumed salary savings and the unanticipated performance of the real estate market in terms of excess property transfer tax revenues generated in FY 22. However, since property transfer tax is tied directly to all real property sales, it is a volatile revenue source. Factors that affect the revenue generated by transfer taxes are the sale price of property and the frequency with which property is sold. These immediate factors in turn are driven by the availability of mortgage loans, the level of long-term interest rates, the supply and demand for real estate in Berkeley, and general economic growth in the Bay Area. In addition, rising interest rates and other macroeconomic factors cause economic that could impact future City revenues. On the expenditure-side, maintaining salary savings due to vacancies is not sustainable over the long-term, the City's three pension plans are not

100% funded and personnel costs related to pension are anticipated to increase, inflation is at an all-time high and the City's infrastructure needs are great. The upcoming budget cycles will continue to be challenging as the City explores options to maintain the delivery of essential core services as well as address its known unfunded liabilities with limited resources. However, I am optimistic that by working with Council, department directors, employees and the community that we will find solutions to the fiscal challenges that lie ahead.

Respectfully Submitted,

Dee Williams-Ridley
City Manager

ADOPTED TIER 1 FUNDING MATRIX

FISCAL YEARS 2023 AND 2024 ADOPTED BUDGET GENERAL FUND SUPPORTED REQUESTS AND REFERRALS BY DEPARTMENT

Requestor and Funding Category	Budget Referral	Expenditure Type/Description	FY 23 Adopted Funding	FY 24 Adopted Funding	Reason for Request	Lead Department	Supporting Departments
REIMAGING PUBLIC SAFETY							
City Manager's Office		Reimaging Project Lead-Assist. to City Manager	314,465	314,465	Oversee implementation. Project based NTE 3 yrs.	CMO	HR
City Manager's Office		Diversity Equity and Inclusion (DEI) Officer	314,465	314,465	Creation of DEI Unit Citywide	CMO	HR
City Manager's Office		Administrative Assistant	165,074	165,074	DEI Unit Support	CMO	HR
Police		8 Public Safety Dispatcher II	1,382,432	1,382,432	Address overtime and support expanding dispatch responsibilities	Police	CMO, HR
Police		Public Safety Dispatch Supervisor	187,986	187,986	Ensure adequate supervisory positions for expanding dispatch	Police	CMO, HR
Police		6 Community Service Officers	841,050	841,050	Additional capability to address public safety goals with appropriate response level, increase capacity for community engagement. Limited 3-year term	Police	CMO, HR
Police		Community Service Officer Supervisor	157,084	157,084	Ensure required supervision for CSO positions. Limited 3-year term	Police	CMO, HR
Public Works		Associate Planner in Transportation	173,906	173,906	To support Vision Zero safety projects. Limited 3-year term	Public Works	CMO, HR
City Manager's Office	x	Grant Assistance	100,000	100,000	Grant writer for Reimagining Public Safety and other programs. Project based NTE 3 years.	CMO	

Requestor and Funding Category	Budget Referral	Expenditure Type/Description	FY 23 Adopted Funding	FY 24 Adopted Funding	Reason for Request	Lead Department	Supporting Departments
Police		Staffing Assessment	70,000	-	Staffing assessment to meet public safety expectations and employee health and wellness	Police	CMO
Police		Additional Training Funding	100,000	100,000	Ongoing training in support of Fair and Impartial Policing concepts, officer safety, professional development	Police	CMO, HR
Police		Additional Wellness Funding	50,000	50,000	To support Critical Incident Stress Contract, Peer Support Team, and emerging wellness needs	Police	CMO
Police		Dispatch Center Analysis	200,000	-	Analyze the current dispatch center including recommendations for a prioritized emergency fire and medical dispatch system	Fire	Police, HHCS, CMO
Public Works		BerkDOT Development	300,000	-	BerkDOT implementation, including funding research in support of new "white paper" and potential state legislation	Public Works	Police, CMO
Mayor Arreguin, Councilmembers Harrison, Bartlett, Hahn	x	Expand Downtown Streets Teams	-	50,000	Expand Team as placement for low-level violations	Public Works	Police, CMO
Mayor Arreguin, Councilmembers Harrison, Bartlett, Hahn	x	Language Equity	15,000	-	Publish Victim Resources in Plain Language and Multiple Languages	CMO	HHCS, Police
Mayor Arreguin, Councilmembers Harrison, Bartlett, Hahn. Budget referral Councilmember Harrison	x	Behavioral Health, Crisis Response, and Crisis-related Services Needs and Capacity Assessments	100,000	-	Needs assessment based on 911/ non-911 calls for service, dispatch, response and capacity assessment of crisis response and related services	HHCS	Fire, Police, CMO

Requestor and Funding Category	Budget Referral	Expenditure Type/Description	FY 23 Adopted Funding	FY 24 Adopted Funding	Reason for Request	Lead Department	Supporting Departments
Mayor Arreguin, Councilmembers Harrison, Bartlett, Hahn. Budget referral Councilmember Harrison	x	Youth Peers Mental Health Response	175,000	175,000	HHSC coordinator position to deliver mental health wellness support and services to the City run Berkeley High School Mental Health Center	HHCS	CMO, HR
Mayor Arreguin, Councilmembers Harrison, Bartlett, Hahn	x	Department of Community Safety	-	250,000	Support an organizational design process to create an umbrella agency or Department of Community Safety	CMO	Police, Fire, HHCS
Public Works		Transportation fines/ fees analysis	150,000	-	Review Berkeley Municipal Code for proposed changes to increase equity and racial justice in the City's existing transportation fines and fees	CMO	Public Works, Police
Mayor Arreguin, Councilmembers Harrison, Bartlett, Hahn	x	Violence Prevention and Youth Services	210,000	210,000	Opportunities for community reinvestment per Council's omnibus proposal	HHCS	Police, CMO
Mayor Arreguin, Councilmembers Harrison, Bartlett, Hahn	x	Hearing Officer- Alternatives to Sanctions/Fines	-	150,000	Expand existing hearing officer to provide alternative referrals to community service and social services for parking and other infractions	Public Works	Police, HHCS,
Mayor Arreguin, Councilmembers Harrison, Bartlett, Hahn	X	Respite from Gender Violence	220,000	220,000	Provide services and housing leads for victims of Gender Violence.	HHCS	Police, CMO
Councilmember Taplin	x	Ceasefire Program Staffing	1,000,000	1,000,000	Estimated staffing cost for Ceasefire program based on Oakland model	CMO	Police, HHCS, HR
STAFFING AUGMENTATION							
City Attorney		Deputy City Attorney II/III	300,000	300,000	Additional support with Risk Management and Litigation portfolio	City Attorney	HR

Requestor and Funding Category	Budget Referral	Expenditure Type/Description	FY 23 Adopted Funding	FY 24 Adopted Funding	Reason for Request	Lead Department	Supporting Departments
City Attorney		Assistant to the City Attorney	250,000	250,000	Additional support (New Classification-estimated cost)	City Attorney	HR
City Auditor		Accounting Office Specialist III MC	36,268	6,268	Increase position from 0.50 FTE to 0.75 FTE due to workload	City Auditor	HR
City Auditor		Overtime	25,000	25,000	Overtime in Payroll Audit for ESS and ExecuTime implementation and personnel action audits	City Auditor	
City Auditor		Auditor II	185,197	185,197	ERMA implementation. Limited 2-year term.	City Auditor	HR
City Manager's Office		Communications Specialist	-	208,776	FY23 covered by state COVID-19 grant	CMO	HR, HHCS
City Manager's Office		Administrative Assistant	165,074	165,074	Continuation of position	CMO	HR
Finance		Revenue Development Specialist I	50,000	50,000	Convert 2 Field Rep positions to RDS I for operational enhancement	Finance	HR
Finance		Accounting Office Specialist Supervisor	172,170	172,170	Enhance business license processing	Finance	HR
Finance		2 Accounting Office Specialist II	246,950	246,950	Enhance business license processing	Finance	HR
Fire		Accounting Office Specialist III	144,034	144,034	To assist with payroll processing	Fire	HR
Health, Housing & Community Services		Community Development Project Coordinator	184,498	184,498	Support BART sites housing development/Project based NTE 3 yrs.	HHCS	HR
Health, Housing & Community Services		Community Services Specialist II	207,439	207,439	Manage encampment grant, Project RoomKey/Project based NTE 3 yrs.	HHCS	HR, CMO
Office of Director of Police Accountability		Associate Management Analyst	191,756	191,756	Meet work demands of department	ODPA	HR

Requestor and Funding Category	Budget Referral	Expenditure Type/Description	FY 23 Adopted Funding	FY 24 Adopted Funding	Reason for Request	Lead Department	Supporting Departments
Planning		Principal Planner – Projects (25% GF)	60,351	60,351	Support Commission, Design Review Committee, CEQA review, interdepartmental coordination on City initiatives	Planning	HR
Planning		Associate Planner (75% GF)	138,633	138,633	Long Range & Policy work including General Plan Update: Safety Element, Land Use Element, & Environmental Justice Element	Planning	HR
Planning		AOS Supervisor	76,145	76,145	Allows Planning Manager more time for planning policy and development; oversee the daily duties of the administrative support team.	Planning	HR
Police		2 Assistant Management Analysts	330,594	330,594	To address City Auditor report, workload, increased transparency	Police	HR
Police		4 School Crossing Guards	77,156	77,156	Previously approved by City Council for FY22. On-going funding to support 4 part-time School Crossing Guards as developed with Public Works and Community Support for student safety	Public Works	Police, HR
Parks, Recreation & Waterfront		Assistant Recreation Coordinator (25% GF)	30,055	30,055	To cover 25% of a new Assistant Rec Coord for special fee classes; the remaining 75% FTE is funded by vacancy and existing baseline budget	PRW	HR
Public Works	x	Transportation: Mobility Coordinator	190,000	190,000	Implement 2030 Electric Mobility Roadmap. Council referral 3/20/21. Energy Commission referral 4/26/22.	Public Works	HR
Public Works	x	Streets & Utilities: Community Services Specialist (50% GF)	83,304	83,304	To support public engagement and volunteer efforts	Public Works	HR
Councilmembers Bartlett, Robinson, Harrison, and Taplin	x	Council Staffing Expenditures	438,160	438,160	Funding equivalent of 0.5 FTE per Council office	CMO	HR

Requestor and Funding Category	Budget Referral	Expenditure Type/Description	FY 23 Adopted Funding	FY 24 Adopted Funding	Reason for Request	Lead Department	Supporting Departments
Disaster and Fire Safety Commission	x	Parking Officer-Enforcement in Fire Zones 2 & 3	128,396	128,396	For 1 new parking enforcement officer, 2-year pilot basis	Police	HR
NON-PERSONNEL							
City Attorney		Implementation of Case Management Software	55,340	-	Modernize office and create efficiencies	City Attorney	IT
City Attorney		Annual Maintenance of Software	-	26,600	Modernize office and create efficiencies	City Attorney	
City Attorney		Office Upgrades	50,000	-	Modernize office	City Attorney	Public Works
Councilmembers Droste, Mayor Arreguin, Councilmembers Wengraf and Harrison	x	Charter Officer Performance Review	60,000	60,000	Consultant to facilitate annual performance evaluation of Attorney	City Attorney	HR
City Attorney		Training and professional development	39,800	39,800	Professional development and training	City Attorney	
City Manager's Office		Training and professional development	80,000	80,000	Professional development and training	CMO	
Finance		Training and professional development	50,000	50,000	Professional development and training	Finance	
City Manager's Office		Online dog licensing software	14,000	-	Continues funding for this Strategic Plan priority activity	CMO	IT
City Manager's Office		Meeting Space Configuration	180,000	-	Furniture for outdoor meetings and A/V equipment for hybrid meetings	CMO	IT, Public Works

Requestor and Funding Category	Budget Referral	Expenditure Type/Description	FY 23 Adopted Funding	FY 24 Adopted Funding	Reason for Request	Lead Department	Supporting Departments
Office of Economic Development		Pacific Steel Redevelopment Assistance	150,000	-	Technical Assistance/Impact Analysis - catalytic development site	OED	
Planning		Pacific Steel CEQA Rezoning Efforts	100,000	-	Rezoning analysis and CEQA work related to properties in and around corner of Eastshore Hwy and Gilman Street	Planning	
Office of Economic Development		#DiscoveredinBerkeley Campaign	25,000	-	Extend support for Berkeley's businesses post pandemic	OED	
Fire		Paramedic Tax Fund Short Fall	2,614,331	-	Address FY 22 deficit resulting from COVID-19 related overtime	Fire	
Human Resources		Citywide Safety Programs	25,000	25,000	Departmental safety programs, protocols, and procedures	HR	
Human Resources		Revision of Personnel Rules	20,000	20,000	Update rules to comply with current operations and applicable laws	HR	
Office of Director of Police Accountability		Professional Services - Strategic Plan	50,000	-	Consultant to lead strategic planning process	ODPA	
Office of Director of Police Accountability		Charter Officer Performance Review	60,000	60,000	Consultant to conduct annual performance evaluation of Director	ODPA	HR
Planning		San Pablo Specific Plan Area/ San Pablo Avenue Specific Plan	150,000	-	Specific plan, zoning, General Plan amendments and CEQA document for the San Pablo Avenue Area. Offsetting grant.	Planning	
Planning		Ashby & North Berkeley BART Stations Area Planning (/BART Stations Area Plan)	300,000	-	Implementation of Transit-Oriented Development at the Ashby and North Berkeley BART Station areas	Planning	

Requestor and Funding Category	Budget Referral	Expenditure Type/Description	FY 23 Adopted Funding	FY 24 Adopted Funding	Reason for Request	Lead Department	Supporting Departments
Councilmembers Robinson, Harrison Droste and Mayor Arreguin		Downtown Berkeley BART Station Modernization Design	250,000	-	Funding for preliminary design engineering work for the Downtown Berkeley BART Station Modernization project	CMO	Planning
Planning, Councilmember Droste	x	Land Use Safety & Environmental Justice Update	300,000	-	Element updates required to meet State regulations; Env. Justice Element is required to be adopted by close of 2024 per Senate Bill 1000	Planning	
Planning		Objective Development Standards / ZORP Phase II Revisions	350,000	-	Objective Standards to streamline/standardize development review and refinements to zoning code	Planning	
Planning		Economic Feasibility Analysis	150,000	-	Consultant services for economic analysis of Southside zoning, Affordable Housing mitigation fee, local density bonus, in lieu fee	Planning	HHCS
Planning		Municipal Building Energy Policy	30,000	-	Develop options for an updated Municipal Building Energy/Green Building Policy. Offsetting grant.	Planning	Public Works
Parks, Recreation & Waterfront		DEI and scholarships at resident camps	75,360	75,360	New DEI programs and scholarships as approved by Council on 1/18/2022. \$10k estimated to come from donations.	PRW	
Parks, Recreation & Waterfront		Minor maintenance	100,000	100,000	Camps, pools and expenditures in parks and the Waterfront.	PRW	
Public Works		Engineering: Deep Class Engineer Study	25,000	-	HR study on evaluation/promotion system for engineering positions	HR	Public Works
Planning		Transportation Impact Fee Analysis	100,000	-	Transportation Impact Fee analysis	Planning	Public Works

Requestor and Funding Category	Budget Referral	Expenditure Type/Description	FY 23 Adopted Funding	FY 24 Adopted Funding	Reason for Request	Lead Department	Supporting Departments
Councilmember Wengraf, Mayor Arreguin, and Councilmember Hahn	x	Annual Holocaust Remembrance Day	6,000	6,000	Funds the Holocaust Remembrance Day Program	OED	
Councilmember Taplin, Mayor Arreguin, Councilmembers Harrison and Hahn	x	Developing Social Housing in the City	300,000	-	Review and develop social housing policy	HHCS	
Mayor Arreguin, Councilmembers Hahn, Harrison, and Bartlett	x	Continuing Anti-Displacement Programs	900,000	900,000	Funding of the anti-displacement program	HHCS	
Mayor Arreguin	x	Small Business Rental and Legal Support	1,000,000	-	Needs-based grant program for Berkeley-based small businesses for assistance on outstanding commercial rent debt and legal assistance	OED	City Attorney
Mayor Arreguin, Councilmember Hahn	x	Supply Bank School Supply Distribution	30,000	30,000	Supply Bank to provide essential school supplies to Berkeley families	HHCS	
Mayor Arreguin, Councilmembers Hahn, Harrison, and Bartlett	x	Housing Retention Fund	1,000,000	1,000,000	Funding of the Housing Retention Program	HHCS	
Councilmembers Kesarwani and Bartlett	x	Capacity Building for Merchant Associations in the Gilman and Lorin Districts	20,000	-	One-time capacity building (\$10,000 each) for Gilman and Lorin District merchant associations for economic development in their commercial areas	OED	
Councilmembers Hahn, Wengraf, and Harrison	x	Solano Stroll	-	20,000	Solano Avenue Stroll to support the September 2024 Stroll event	OED	

Requestor and Funding Category	Budget Referral	Expenditure Type/Description	FY 23 Adopted Funding	FY 24 Adopted Funding	Reason for Request	Lead Department	Supporting Departments
Councilmembers Kesarwani and Taplin	x	Expand Scope of the Downtown Streets to Gilman District	50,000	50,000	Expand Downtown Streets Team for enhanced services around commercial and industrial areas in the Gilman District twice weekly	Public Works	CMO
Councilmembers Harrison, Mayor Arreguin, Bartlett, and Wengraf	x	Siting and Developing Public Electric Vehicle DC Fast Charging Hubs	600,000	-	Fund Berkeley's annual maximum Service Fee of \$100,000/year per fast-charging hub.	Public Works	
Mayor Arreguin (Supplemental Budget Recommendation)		UC Theatre Concert and Career Pathways Program	50,000	50,000	Ongoing funding for youth employment program	OED	
Councilmembers Bartlett, Hahn, Taplin, and Mayor Arreguin	x	Local Reparations Plan	250,000	-	Consultant to facilitate community process to design and implement a local reparations plan	CMO	
Mayor Arreguin (Supplemental Budget Recommendation)		5150 Transports Non-Homeless Related	578,395	343,143	Funding for Section 5150 transports	CMO	Fire, HHCS
Civic Arts Commission	x	Festival Grants Budget Allocation	41,685	-	To increase allocation to \$200,000 annually	OED	CMO
Councilmembers Hahn, Mayor Arreguin, Taplin, and Harrison	x	Accessibility Renovations-Luna Dance Institute	150,000	-	Renovation of 931 Ashby Avenue for a fully accessible, permanent dance education center for children, families, artists, teachers and the public	CMO	
CAPITAL							
City Clerk		Paperless Contracts Workflow System	400,000	-	Automate/streamline contract process; increase sustainability	City Clerk	IT
City's Manager's Office		EBCE Solar+Storage at Fire Stations	100,000	-	Electrify and storage at Live Oak & Fire station #3. Sites based on minimal cost for roof and electrical panel. Citywide facilities estimated cost of \$1.2M	Public Works	Fire, PRW, Planning

Requestor and Funding Category	Budget Referral	Expenditure Type/Description	FY 23 Adopted Funding	FY 24 Adopted Funding	Reason for Request	Lead Department	Supporting Departments
Finance		Property Tax Assessment System Replacement	-	450,000	Replacing aging 30-year-old system	Finance	IT
Finance		Business License Tax System Replacement	500,000	-	Difficult to Maintain; Improve business license processing	Finance	IT
Police		Jail Control Panel Replacement	500,000	-	Control panel exceeded its useful life	Police	Public Works
Parks, Recreation & Waterfront		Waterfront Pilings (docks, office and restrooms)	850,000	650,000	Design completed. Augments T1 and Marina Fund funding for replacements	PRW	
Parks, Recreation & Waterfront		CIP Baseline Contribution	1,500,000	2,000,000	Currently at \$400,000. With inflation, annual cost of \$2.247M	PRW	
Public Works		Traffic Calming Program	-	70,000	Funding for residents/Council referrals for traffic calming devices	Public Works	
Councilmembers Robinson and Hahn; Public Works		Telegraph-Channing Garage Elevator Repairs	3,600,000	-	Public safety issue requiring replacement of elevator	Public Works	
Public Works		ADA Transition Plan Update Implementation	250,000	500,000	Annual amount for implementation of ADA projects	Public Works	
Public Works		Facility Maintenance	250,000	500,000	Deferred maintenance. CIP Fund contribution flat since 2009	Public Works	
Councilmembers Kesarwani, Taplin, and Wengraf, and Droste; Public Works		Street Maintenance Funding	5,000,000	9,100,000	Funding to increase street conditions/ Pavement Condition Index	Public Works	
Councilmembers Kesarwani, Taplin, Wengraf, and Droste	x	South Sailing Basin Dredging	350,000	-	South Sailing Basin Dredging planning & evaluation	PRW	

Requestor and Funding Category	Budget Referral	Expenditure Type/Description	FY 23 Adopted Funding	FY 24 Adopted Funding	Reason for Request	Lead Department	Supporting Departments
Councilmembers Kesarwani, Taplin, Robinson, and Wengraf	x	Implement State Law AB 43 for Reduced Speed Limits on High-Injury Commercial Corridors	50,000	-	Funding for new speed limit signage	Public Works	
Councilmembers Hahn, Wengraf, and Robinson	x	Hopkins Corridor Bike, Pedestrian, and Placemaking Improvements	150,000	150,000	Bike, pedestrian, and streetscape improvements to be implemented in coordination with protected bike lanes, pedestrian safety features, and re-paving of the Hopkins Corridor	Public Works	
Councilmembers Bartlett and Mayor Arreguin	x	Convert 62nd St. between King St, and Adeline St. into a cul de sac/ marked bicycle lane	300,000	-	Convert 62nd St. between King St. & Adeline St. into a cul de sac. Marked bicycle lane connecting Adeline St. to the bicycle boulevard on King St.	Public Works	
Councilmembers Harrison and Bartlett	x	Dwight Way Traffic Calming	50,000	-	Traffic calming intersection improvements on Dwight Way between Grant Street and California Street	Public Works	
Councilmembers Bartlett	x	Semi-diverter traffic bollards at the intersection of Newbury Street and Ashby Avenue	50,000	-	Funding to install semi-diverter traffic bollards at the east corner of the intersection at Newbury Street and Ashby Avenue	Public Works	
Councilmembers Taplin, Harrison, and Wengraf; Public Works	x	Municipal Electric Vehicle Charging Infrastructure	1,150,000	-	Funding of EV charging infrastructure for the City's fleet of electric vehicles at the Corporation Yard and other City properties	Public Works	
Mayor Arreguin (Supplemental Budget Recommendation)		Bus canopies-Durant Complete Streets	336,000	-	Funding for bus canopies and bulb outs for Durant Complete Streets	Public Works	
Councilmembers Robinson and Harrison	x	Purchase of Electric Bicycles for City Use	25,000	-	Electric bicycles for use by employees on City business	Public Works	

Community Profile Data

Budget Book FY 2023 & FY 2024

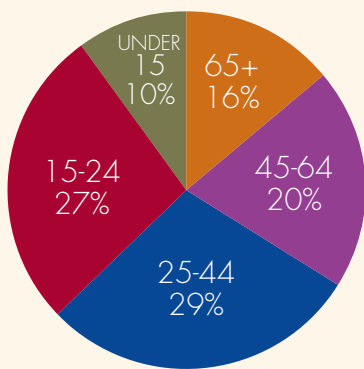


Berkeley Population

124,321

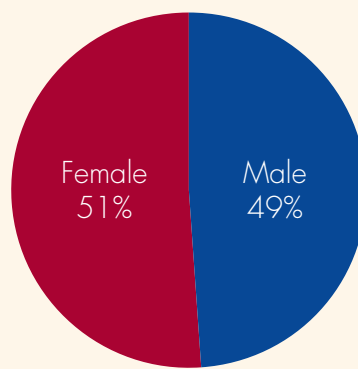
(Data from 2020 American Community Survey (ACS) 5-Year Estimates)

By Age

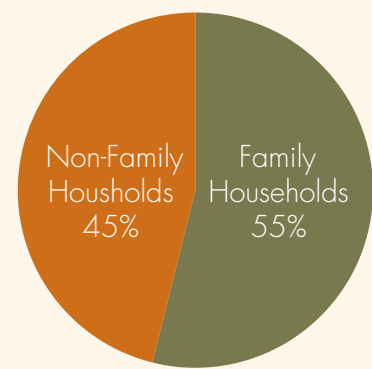


Median Age: 31.1 years

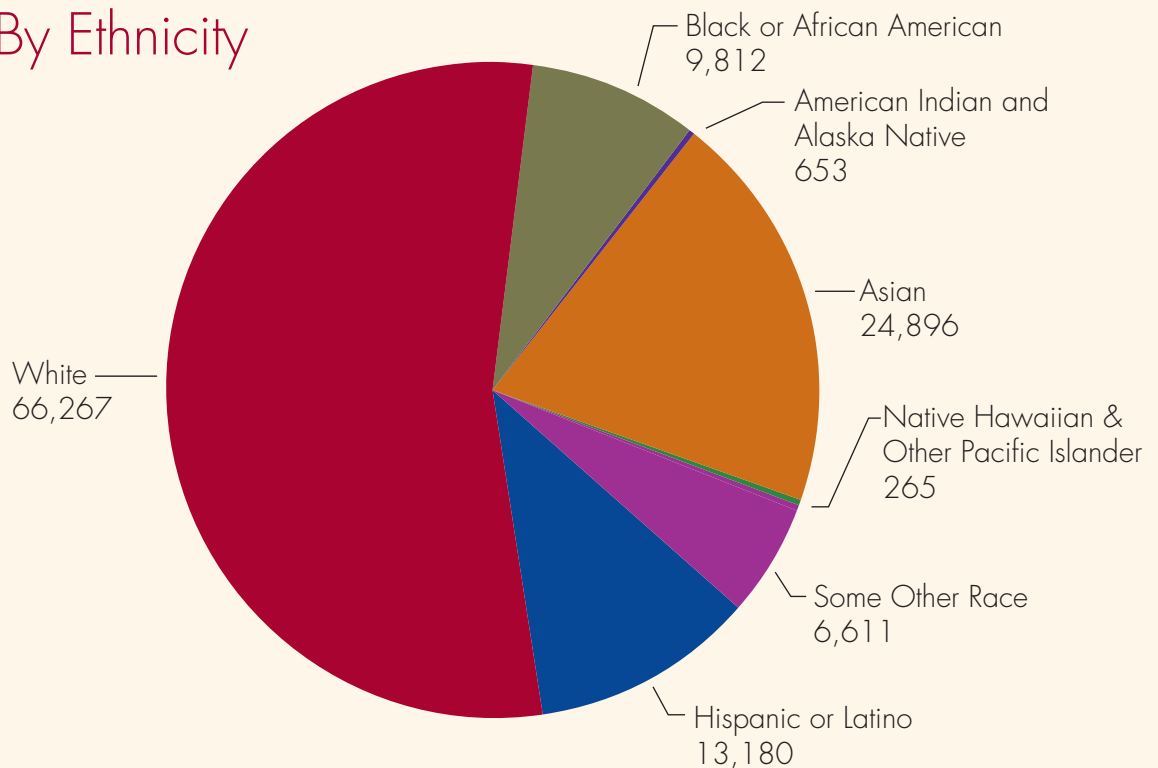
Male/Female



Type of Households



By Ethnicity



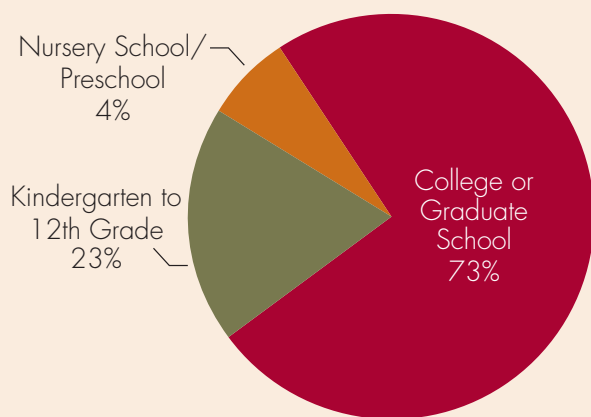
Education (ACS)

Schools in Berkeley*

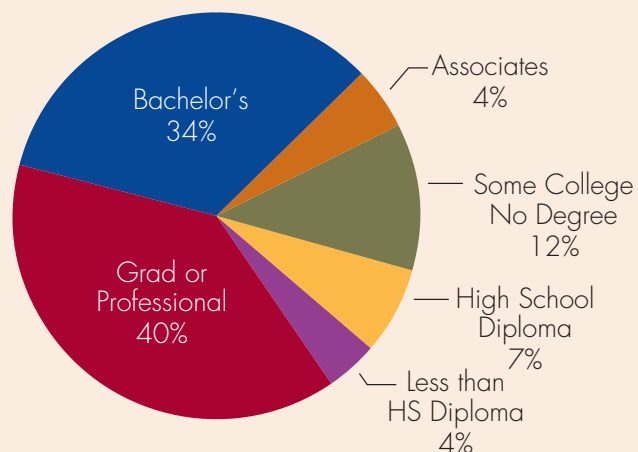
- 11 public elementary schools
- 3 public middle schools
- 2 public high schools (Berkeley High School & B-Tech)
- 1 adult school
- 1 public charter school
- 6 WASC-accredited private elementary/secondary schools (4 Private; 2 Religious)
- University of California, Berkeley
- Berkeley City College
- 5 WASC-accredited colleges (in addition to UC Berkeley and Berkeley City College)

*Source: BUSD, California Department of Education, WASC

Population 3+ years
enrolled in school: 46,749



Educational Attainment of
Population Over 25 Years Old:
72,998 (ACS)



Transit and the Environment

- As of August 2022, the GIG car share fleet size is 538 vehicles in Berkeley, Oakland, Emeryville, Alameda, Albany, and San Francisco. The result is a designated service area of 29.71 square miles (6.53 square miles in Berkeley) for coverage of about eighteen vehicles per square mile.
- In spring 2022 the City launched the Shared Electric Micromobility Permit Program through which three providers of electric scooters have made these devices available for short-term rental by the Berkeley public. The program includes a significant discount for low-income people.
- 10% of residents bike to work. Highest bike commute rate in nation for cities with populations over 100,000.
- As of 2021, there were over 4,800 electric vehicles (EVs) registered in Berkeley – that's 7.5% of the registered cars.
- As of mid-2022, there are over 200 electric vehicle charging ports available to the public in Berkeley, including 20 DC Fast Charge ports and 75 City-owned ports.
- Berkeley is working to shift building energy use from natural gas to clean, renewable electricity. Residential natural gas consumption decreased by 28% and commercial consumption decreased by 13% between 2000 and 2020.
- Approximately 3,990 solar photovoltaic systems were installed in Berkeley between 2000 and 2021 and approximately 300 of these installations have energy storage capacity.
- Berkeley residents and businesses have reduced their annual landfilled waste tonnage by 46% between 2000 and 2020
- Over 190,000 tons of construction and demolition waste has been diverted from landfills between 2008 and 2021.
- There are 138 Certified Green Businesses in Berkeley. In 2021, Berkeley Green Businesses have collectively achieved the following environmental savings:
 - 6.1 million lbs of GHG reduced
 - 1.42 million kWh of energy saved
 - 2,347,000 lbs of waste diverted from the landfill
 - 3,095,000 gallons of water saved
 - 139 gallons of hazardous waste diverted

Employment, Economy, Housing (ACS)

Employment

Median Household income:	\$91,259
Residents 15 and older:	110,972
In labor force	61.2%
Employed:	58.0%
Unemployed:	3.2%
Armed Forces	0.0%
Not in labor force: (e.g. students not looking for work)	38.8%

Occupation (ACS)

Management, business, science, and arts:	67%
Service:	12%
Sales & Office:	14%
Natural Resources, construction, and maintenance:	2%
Production:	4%

Largest Employers*

Ansys, Inc.	OC Jones & Sons
Bayer Corp	Peralta Community College District
Berkeley Bowl Produce	Safeway Inc
Berkeley Cement Inc.	Siemens Corporation
Berkeley Unified School District	Sutter Bay Hospitals
Callisto Publishing	Sutter Bay Medical Foundation
City of Berkeley	Target Corporation
Foresight Mental Health	The Wright Institute
Genji Pacific LLC	U.S. Postal Service
Insperty Peo Services LLC	University of California, Berkeley
Kaiser Permanente Medical Group Inc	Whole Foods Market California Inc.
Lifelong Medical Care	YMCA of the Central Bay Area
Meyer Sound Laboratories, Inc	

Source: EDD, QCEW Data Q1 2021

Housing (ACS)

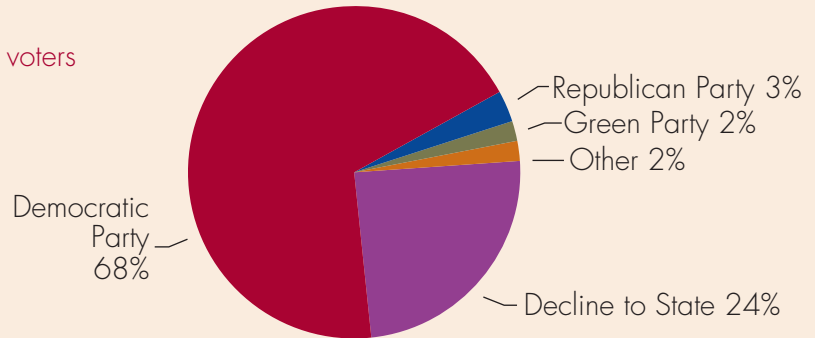
Average sale price of new & existing single-family homes:	\$1,514,227
Average sale price of new & existing condos:	\$786,861
Total housing units:	50,046
Vacant housing units:	4,162
Occupied housing units:	45,884
Owner-occupied:	19,680 (43%)
Renter-occupied:	26,204 (57%)
Median Rental Market Rates:*	
Studio	\$1,784
1 Bedroom	\$2,071
2 Bedroom	\$2,914
3 Bedroom	\$3,893

* 2021 data provided by the Berkeley Rent Stabilization Board

Community Engagement

Berkeley has
79,485 registered voters

California Secretary of State,
October 2018



- There are 118 Disaster Caches in neighborhood groups and 8 in community resilience centers
- Public meeting notices, agendas and meeting-related documents are online, and audio and DVD recordings are also available
- Live and archived Council meetings can be watched on the City's website. They are also broadcast by KPFB, 89.3 FM and cable channel 33

Other Amenities

Berkeley has:

- 2 public swimming pools;
- 3 resident summer camps;
- 105 walking trails;
- 2 skateboard park;
- 1 Adventure Playground;
- A municipal urban forest of 35,000 public street and park trees;
- 15 sports fields;
- 49 sports courts;
- 36 picnic areas;
- 63 play areas;
- 17 acres of off leash dog parks;
- 242 acres of public open space;
- 152 landscaped street medians and triangles;
- 263 irrigation systems;
- 52 parks, 4 community centers, 2 clubhouse, and 6 community gardens;
- A public marina with berths for 1,000 boats, a small-boat launch ramp, 3 public small boat docks;
- Portions of the San Francisco Bay Trail;
- Shorebird Nature Center and Classroom;
- More than 80 acres of state park and easy access to 2,077-acre Tilden Park;
- 2 senior-service facilities that provide activities, meals, and social services.

Berkeley is home to more than 150 arts and cultural organizations, making it one of the most artistically dense cities in the Bay Area. Those diverse organizations include museums, art galleries, dance, music and performance groups, and many more.

For information about the programs and services offered by the City of Berkeley, please call (510) 981-CITY or visit us online at:

<https://berkeleyca.gov/>

INTRODUCTION

BUDGET BOOK GUIDE

The purpose of the City of Berkeley's budget is to serve as a "blueprint" to communicate to the residents, businesses, and employees how the City's financial sources are planned in order to provide services to the community. As such, it is considered a working financial plan for the upcoming two fiscal years to guide the implementation of City policies, priorities, and programs. The budget includes both the operating costs to manage the City and provide daily services to the community as well as the capital investments or improvement projects that the City plans to implement over the next two fiscal years. Please note, throughout this document, Fiscal Year (FY) denotes July through June, and 23 and 24 is referred to as FY 23 and 24 respectively. In addition, the use of "FY Est. Actual" refers to the Fiscal Year 2022 Unaudited Estimated Actual and is based upon preliminary expenditures as of 6/30/22.

Below is a brief description of each of the major sections of the budget book:

- **Budget Message:** The budget message contains the City Manager's transmittal letter to the City Council that details the budget, including budget issues and policies that lead to the development of the budget
- **Financial Summaries:** The financial summaries provide summary financial analyses and a summary of assumptions used in creating the Five-Year Forecasts.
- **General Fund:** The General Fund section includes summaries of expenditures and revenues for the General Fund.
- **Other Fund Forecasts:** This section provides the financial forecasts for the City's key non-General Fund operating funds.
- **Staffing:** This section includes staffing information by department and funding source.
- **Department Budgets:** This section includes a department's mission statement, organizational structure, core services, strategic plan priorities, performance measures, challenges, accomplishments, and significant changes from the prior year's budget.
- **Community Agencies:** Summary of the community-based organization funding process and the adopted allocation schedule for FY 23.
- **Capital Improvement Program (CIP):** The CIP section consists of an overview of the CIP by funding sources and project categories. Detailed CIP information is available in the accompanying CIP book at <https://berkeleyca.gov/your-government/financial-information/city-budget>



MISSION

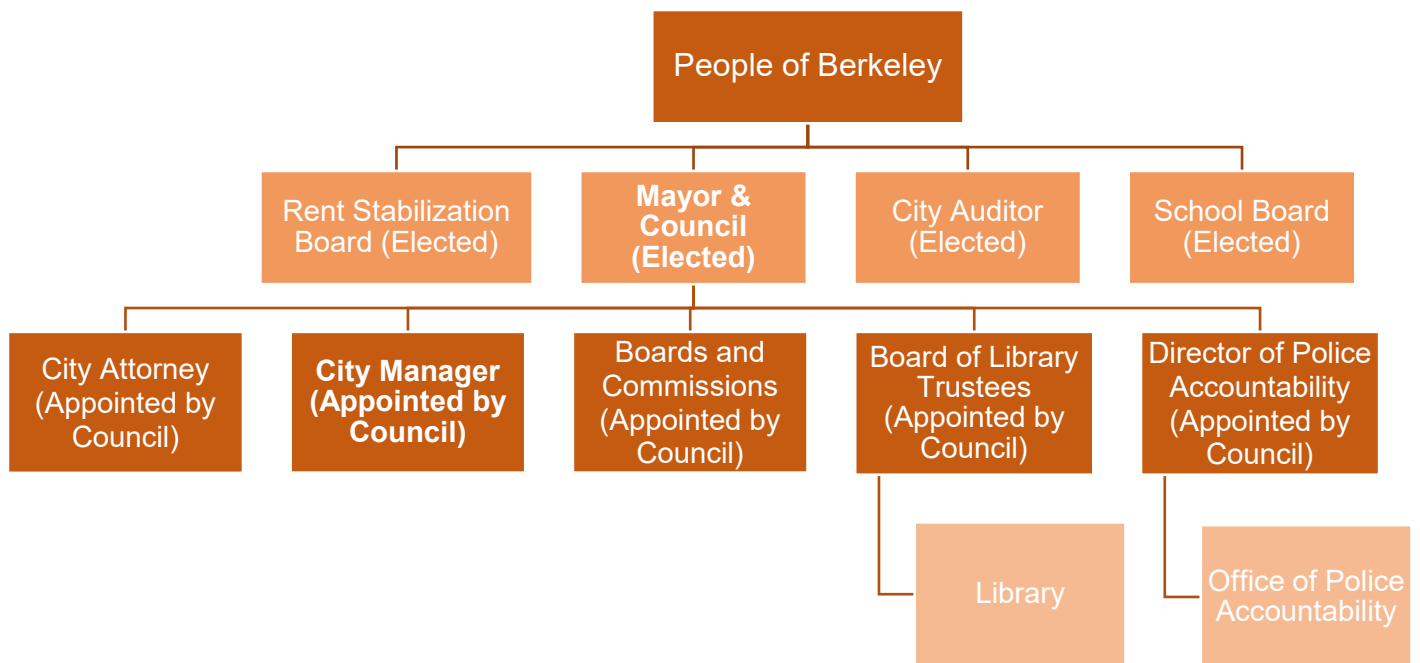
As City of Berkeley employees our mission is to provide quality service to our diverse community; promote an accessible, safe, healthy, environmentally sound and culturally rich city; initiate innovative solutions; embrace respectful, democratic participation; respond quickly and effectively to neighborhood and commercial concerns; and do so in a fiscally sound manner.

ORGANIZATIONAL STRUCTURE

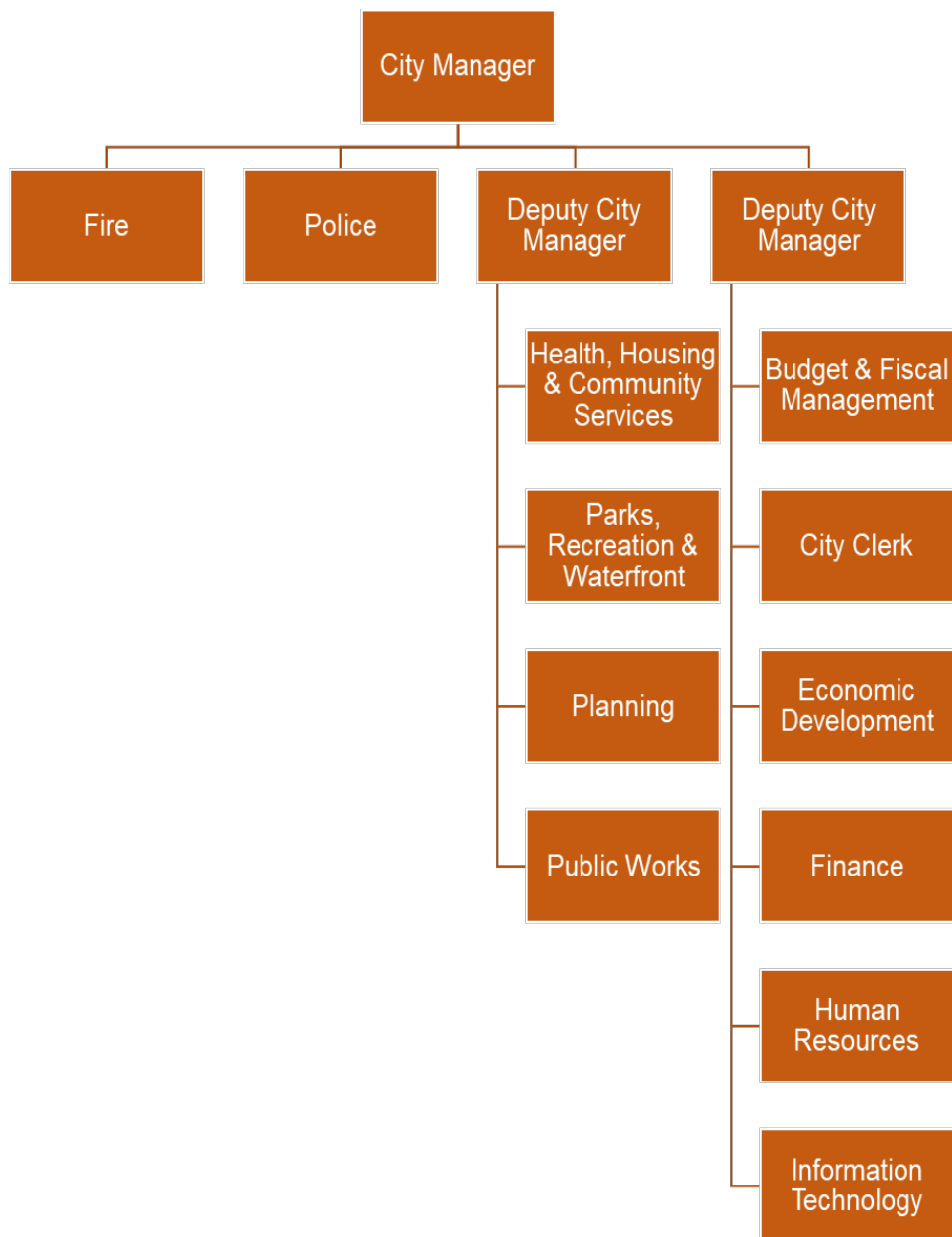
The people of Berkeley are the highest level in the City's organizational structure. They directly elect the Mayor and the eight other members of the City Council, the members of the Rent Board, the members of the School Board, and the City Auditor.

The nine members of the City Council (eight elected by district and the mayor, elected at-large) appoint the members of the Board of Library Trustees and the members of the City's Boards and Commissions. Boards and Commissions serve as advisory bodies to the Council, although some have quasi-judicial functions. Berkeley Housing Authority members are appointed by the Mayor and confirmed by the Council.

The Mayor and Council select and confirm the City Manager, who acts as a Chief Executive Officer for the rest of the City government. The City Manager is responsible for the administration of City services and programs, enforcement of the City's Municipal Code and ordinances, and preparation of the annual budget. The Department directors are selected by the City Manager and confirmed by the City Council. The departments reporting to the City Manager are shown on the organizational chart on the next page.



ORGANIZATIONAL CHART



BUDGET PROCESS AND BASIS OF BUDGETING

BUDGET PROCESS

The budget process is the vehicle through which the City assigns resources to the goals and priorities set by the City Council. New programs are added based on Council service and program priorities. Under the City Charter, the City Manager is responsible for preparing and recommending an operating budget and a capital improvements budget for City Council consideration and adoption.

The City of Berkeley employs a two-year budget process. In year one of the biennial budget cycle, the City Council formally adopts authorized appropriations for the first year of the two-year budget and approves “planned” appropriations for the second fiscal year. In year two of the budget cycle, the City Council considers revisions and formally adopts authorized appropriations for the second fiscal year. Although the budget cycle covers a two-year period, the City Charter requires that the City Council adopt an annual appropriations ordinance for each budget year.

BUDGET PREPARATION

The biennial budget cycle begins with the development of the Budget Development Instructions, including a process for identifying short-term priority initiatives that will be accomplished in a given budget cycle. A budget development calendar is also prepared and presented to the Council Budget and Finance Policy Committee for review and then to the entire Council. The City Manager reviews and evaluates the baseline budgets and supplemental funding requests submitted by departments to determine whether they fulfill City Council goals and objectives, align with the City’s Strategic Plan, or increase efficiency or improve management effectiveness and service delivery. Requests received by both City Council (through the budget referral process) and departments for enhanced funding from the General Fund are prioritized using a “tier” system. Tier 1 items are recommended for funding based on available resources. Tier 1 items are items that operational must be paid for; pertain to a federal, state or locally mandated function; address public health and safety, critical operations and/or critical infrastructure needs; support the implementation of the City’s strategic plan goals and/or have been approved by Council; further climate initiatives or either generate revenue, are grant funded or otherwise leverage additional funding. Tier 2 are items that are considered to be Non-Critical Operational Needs that may be placed on hold or have existing funding while Tier 3 includes items deemed to be Non-Urgent Operational Needs.

The City Manager then develops a balanced budget proposal and presents the proposal to the Budget and Finance Policy Committee and then to the City Council. Both the Budget and Finance Policy Committee and the City Council holds public meetings to discuss the proposed budget, including two or more formal public hearings. Budget amendments are considered for incorporation into the proposed budget prior to the formal budget adoption.

FY 2023-2024 BIENNIAL BUDGET DEVELOPMENT SCHEDULE

Date	Lead Entity	Action Item/Deliverable/Topic
January 27	Budget & Finance Committee	Review of Budget Development Schedule
February 10	Budget & Finance Committee	Review of Council Budget and Fiscal Policies
<i>February 24</i>	<i>Budget & Finance Committee</i>	<i>Homelessness Funding Priorities Discussion</i>
February 24	Budget & Finance Committee	FY 22 Mid-Year and American Rescue Plan Act Update
February 24	Budget & Finance Committee	General Fund Expenditures: Discussion on FY 23 & 24 Budget Assumptions on Personnel Costs, Including “Salary Savings”
March 10	Budget & Finance Committee	Measure P Overview and Fund Forecast
March 10	Budget & Finance Committee	Legislative Update: Governor's FY 22-23 Proposed Budget, Federal Infrastructure Bill, Introduced Legislation
March 10	Budget & Finance Committee	Five-Year Capital Improvement Program and Proposed Projects
March 22	Council	FY 22 Mid-Year and American Rescue Plan Act Update
April 12	Council	Five-Year Capital Improvement Program and Proposed Projects
April 14	Budget & Finance Committee	FY 22 AAO #2 Update
April 14	Budget & Finance Committee	General Fund Revenue and Expenditures: Five-Year Forecast Special Revenue/Enterprise/Other Funds Forecast
April 14	Budget & Finance Committee	Overview of the FY 23 & 24 “Preliminary” Budget
April 14	Budget & Finance Committee	Capital Improvement Program Recommendations
April 14	Budget & Finance Committee	Discussion on Budget Engagement Strategies
April 22	Council	Initial Budget Referrals to City Manager
April 26	Council	Public Hearing on CDBG & ESG Annual Action Plan
April 27	Budget & Finance Committee	Department Presentations; Measure P Allocation and Proposed Initial Recommendations
April 28	Budget & Finance Committee	Department Presentations <i>Discuss and develop alternative revenue streams for the Marina Fund including a dedicated reserve</i>

Date	Lead Entity	Action Item/Deliverable/Topic
April 29	Budget & Finance Committee	Department Presentations
May 10	Council	Public Hearing to Receive FY 22 AAO#2 Report (1st reading) Public Hearing to Receive Proposed Biennial Budget and CIP
May 12	Budget & Finance Committee	Receive presentation on FY 23 proposed fees
		Discussion on Proposed Biennial Budget & CIP Recommendations
		Review of Council Fiscal Policies
May 24	Council	Receive AAO#2 Report (2nd reading), Public Hearing on FY 23 Fees, Public Hearing on Biennial Budget & CIP
May 26	Budget & Finance Committee	Legislative Update- Governor's FY 22-23 May Revision Budget, Federal and State Legislation Update
May 31	Council	Council meeting to receive comments on Biennial Budget & CIP (last meeting for budget referrals)
May 31	Public	Budget Inquiry Forms Due to Budget Office (responses included as part of June 14 Council public hearing on the biennial budget)
June 9	Budget & Finance Committee	Discussion on Proposed Biennial Budget & CIP Recommendations
		Review of Council Fiscal Policies
		Discussion on AAO Criteria and Timing
June 14	Council	Public hearing on Proposed Biennial Budget & CIP Recommendations
June 23	Budget & Finance Committee	Discussion on Proposed Biennial Budget Recommendations
June 28	Council	FY 23 & 24 Budget Adoption, including Capital Improvement Program; Approval of FY 23 AAO and Approval of Tax Rate

BASIS OF BUDGETING

The City's accounting system is maintained on a fund basis in accordance with governmental accounting standards. A fund is a separate fiscal and accounting entity with a separate set of accounting records. City funds are organized within fund groups that include General Funds, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Grant Funds, Bond Funds, Debt Service Funds, and Trust Funds. The governmental fund types and agency funds use the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. All proprietary fund types and pensions trust funds use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The budget document is adopted on a modified cash basis. For budgetary purposes, revenues are recorded when received (not when earned) and interfund loans and repayments (i.e., "interfund transfers") are recorded as expenditures and revenues. For accounting purposes these transactions are reclassified as increases or reductions in the "due to/due from" accounts. In recognition of these differences, companion financial statements are Annual Comprehensive Financial Report according to the budgetary basis of accounting and a detailed schedule is provided that reconciles the results of applying the two different basis of accounting methodologies.

BUDGETARY CONTROL

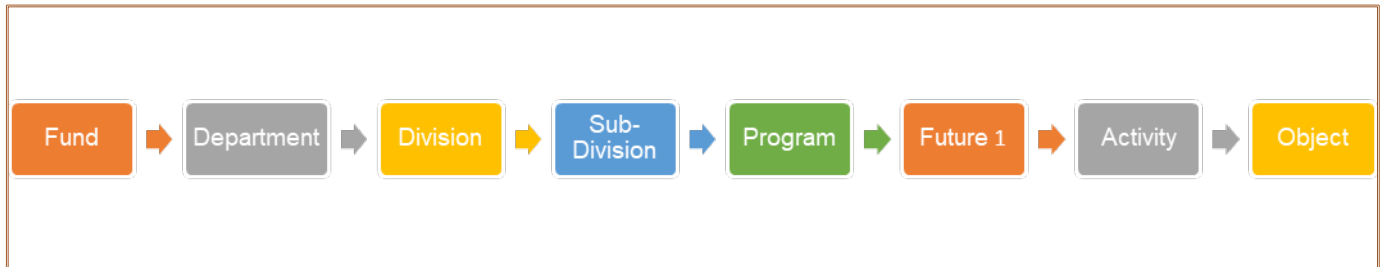
The City Council adopts the budget by June 30 through the passage of an Annual Appropriation Ordinance (AAO). This ordinance sets expenditure limits at the fund level for the City's General Fund, special funds, debt service funds, capital projects funds, enterprise funds, and all internal service funds except the Payroll Deduction Trust Fund, the Catastrophic Loss Trust Fund, Retiree Medical Trust Funds, and the Pension Annuity Fund.

Throughout the year, supplemental appropriations are approved through amendments to the AAO, and require a two-thirds super-majority vote of the City Council. The City Manager is authorized to transfer budgeted amounts between departments or programs within any fund. The Council must approve any transfer that either alters the total budget or moves amounts from one fund to another. All appropriated amounts lapse at year end and are subject to re-appropriation in the following fiscal year by City Council approval.

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders, contracts, and other commitments for the expenditure of money are secured in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as assignments of fund balance with unencumbered amounts lapsing at year-end.

FUND STRUCTURE

The City maintains a multipart chart of accounts and uses this formal structure to maintain accountability over the assets and resources for which it has control. Individual account codes in the City of Berkeley consist of several sections as shown below:



The City of Berkeley, like other state and local governments, uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements. City funds are classified into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The City maintains several individual governmental funds organized by their type (general, special revenue, debt service, and capital projects funds).

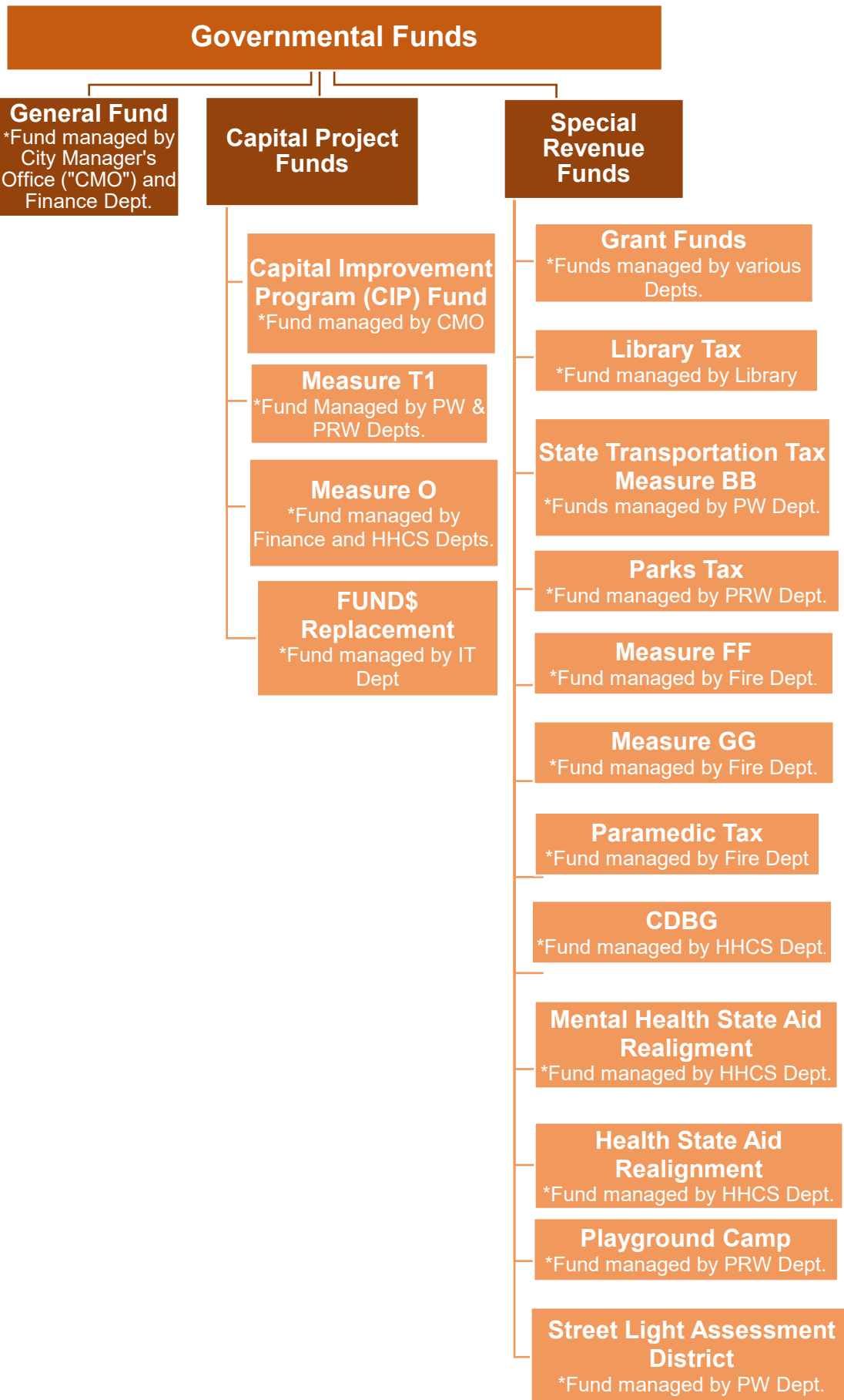
- **General Fund** is the primary operating fund of the City. It is discretionarily used for multiple purposes and has the most flexibility in how funding can be spent.
- **Special Revenue Funds** are restricted or committed to expenditures for specific purposes and therefore cannot be used for other expenses.
- **Debt Service Funds** are used for short-term and long-term debt principal and interest payments of the City.
- **Capital Project Funds** are used to acquire, improve, or construct major capital assets (other than the ones that are financed by other funding sources such as special revenue funds or proprietary funds).

Proprietary funds are generally used in governmental accounting to account for activities that involve business-like services for which the City charges outside customers or internal departments of the City. Proprietary funds provide the same type of information as shown in the government-wide statements, only in more detail. The City maintains the following two types of proprietary funds:

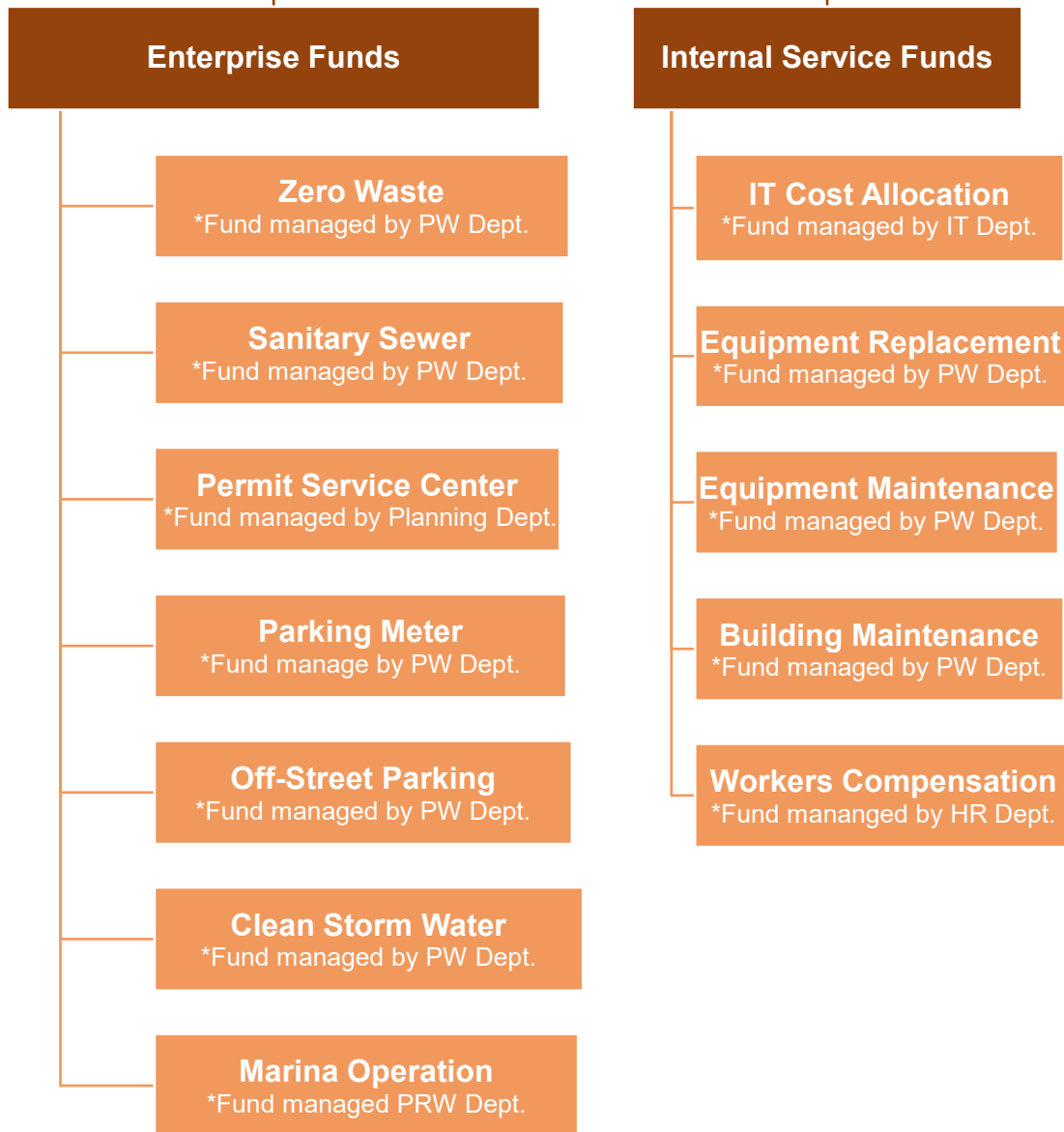
- **Enterprise funds** are intended to be self-supporting and are used for activities which fees are charged to external customers for goods or services.
- **Internal service funds** are used to account for goods and services provided by certain City departments to other City departments (internal customers) on a cost-reimbursement fee basis.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City of Berkeley. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Some examples of fiduciary funds in the City of Berkeley are pension trust funds, undergrounding funds, and several business improvement district funds.

The City of Berkeley has a complex and robust budget consisting of over 200 active funds. The following charts provide a partial list of the major and some non-major funds as reported in the government-wide financial statements. More detailed information on some of these funds can be found in the General Fund section and Other Fund Forecasts section of this budget book.



Proprietary Funds



BUDGET AND FINANCIAL POLICIES

This section includes the City's policies pertaining to budget development, reserves, debt and investment.

FISCAL POLICIES

Fiscal policies adopted by the City Council provide the framework for the City's budget development. The fiscal policies articulate goals to build a prudent reserve, address pension liability and to fund a capital infrastructure plan. 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 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.

GENERAL FUND RESERVE POLICY

On January 24, 2017, the City Council adopted Resolution No. 67, 821-N.S., Establishing the City's Council's Policy for the General Fund Reserves.

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 Reserve: 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.

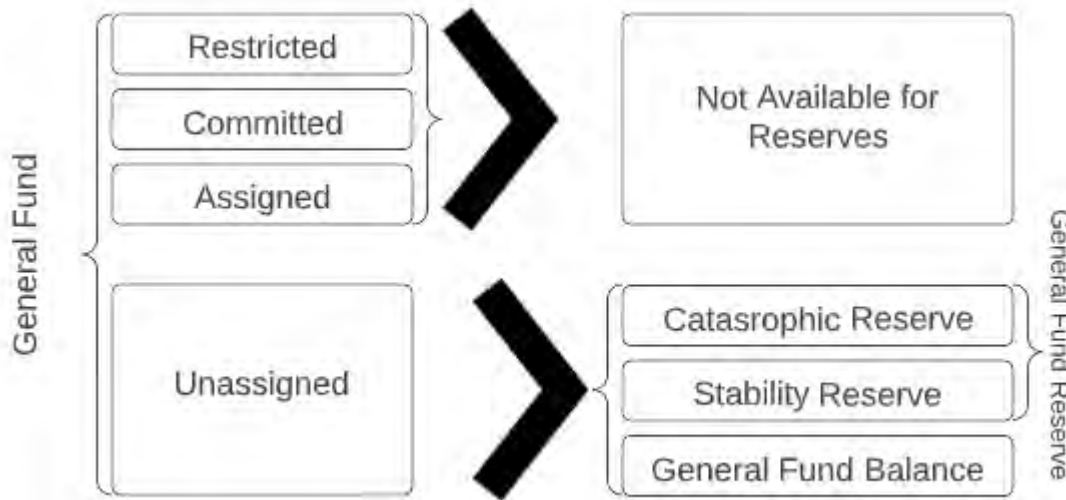
Effective immediately, the target level for the Reserve shall be a minimum of 13.8% of 2017 Adopted General Fund Revenues with an Intermediate Goal of a minimum of 16.7% by the end of Fiscal Year 2020, if financially feasible.

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 \$1 million 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 simultaneously 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.

DEBT MANAGEMENT & DISCLOSURE

I. INTRODUCTION

The policies set forth in this Debt Management Policy (the "Policy") have been developed to provide clear and comprehensive guidelines for the issuance and financial management of the debt portfolio of the City of Berkeley and any other entity for which the City Council acts as legislative body, and the term "City" shall refer to each of such entities. This policy confirms the commitment of the City Council, management and staff and other decision makers to adhere to sound financial management practices, including full and timely repayment of borrowings, achieving the lowest possible cost of capital within prudent risk parameters. This Policy is not intended to be so restrictive that it interferes with the City's legitimate efforts to prudently provide public services and facilities. This Policy is intended to comply with Government Code Section 8855(i), effective January 1, 2017.

Purpose and Goals:

The purpose of the Policy is to provide a functional tool for debt management and capital planning, as well as to enhance the Cities ability to manage its debt obligations and lease financings (collectively referred to as "debt" in this Policy) in a conservative and prudent manner. In following this Policy, the Cities shall pursue the following goals:

- The City shall endeavor to attain the best possible credit rating for each debt issue in order to reduce interest costs while preserving financial flexibility and meeting capital funding requirements.
- The City shall take all practical precautions and proactive measures to avoid any financial decision that will negatively impact current credit ratings on existing or future debt issues.
- The City shall remain mindful of its statutory debt limit in relation to assessed value growth and the tax burden needed to meet long-term capital requirements.
- The City shall consider market conditions and City cash flows when timing the issuance of debt.
- The City shall determine the amortization (maturity) schedule which will best fit with the overall debt structure of the City at the time the new debt is issued.
- The City shall match the term of the issue to the useful lives of assets whenever practicable and economic, while considering repair and replacement costs of those assets to be incurred in the future.
- The City shall, when planning for the issuance of new debt, consider the impact of such new debt on overlapping debt of local, state and other governments that overlap with the City.
- The City shall, when issuing debt, assess financial alternatives to include new and innovative financing approaches, including whenever feasible categorical grants, revolving loans or other State/federal aid, so as to minimize the contribution from the City's General Fund.

- The City shall, when planning for the sizing and timing of debt issuance, consider its ability to expend the funds obtained in a timely, efficient and economical manner.

II. SCOPE

The guidelines established by this policy will govern the issuance and management of all debt funded for short- and long-term capital financing needs and cash flow needs. The Finance Department recognizes that changes in the capital markets and other unforeseen circumstances may require exception to this Policy, for which approval from the City Council will be necessary for implementation. The Policy may be amended by the City Council as it deems appropriate from time to time in the prudent management of the debt of the City. Any approval of debt by the City Council that is not consistent with this Policy shall constitute a waiver of this Policy.

III. DELEGATION OF AUTHORITY

Pursuant to the provisions of Sections 37209 and 40805.5 of the Government Code of the State of California, the Finance Director (Director of Finance) shall be the head of the finance department and shall be responsible for all of the financial affairs of the City. This Policy grants the Finance Director the authority to select the financing team, coordinate the administration and issuance of debt, communicate with the rating agencies, as well as to fulfill all the pre-issuance and post-issuance disclosure information. The Finance Director or designee will select various Financing Team Members. Below is a brief description of the main Financing Team, along with their functions.

1. Municipal Advisor

- Assists with capital planning and long-term planning
- Coordinates the financing and debt issuance process
- Helps evaluate underwriter proposals and provides financial analysis and recommendations
- Assists with the securing of other professional services and other members of the financing team
- Monitors and evaluates market conditions for opportunities to issue debt at low interest rates
- Works with the City and Underwriter to develop investor outreach and market approach
- Manages competitive bid process
- Ensures negotiated prices are "fair" and reasonable in the marketplace

2. Bond Counsel

- Prepare an approving legal opinion
- Provide expert and objective legal opinion and advice
- Prepare and review documents necessary to authorize, issue sale and delivery of the bonds as well as coordination of the authorization and execution of closing documents

- Review legal issues relating to the structure of the bond issue
- Prepare election proceedings or pursue validation proceedings if necessary
- Review or prepare those sections of the official statement that relate to the Bonds, financing documents, bond counsel opinion and tax exemption
- Assist the City in presenting information to bond rating organizations and credit enhancements providers relating to legal issues affecting the issuance of the Bonds
- Review or prepare the Notice of Sale of Bond Purchase Contract for the Bonds and review or draft the continuing disclosure undertaking of the City
- Post-issuance advice for bond covenant compliance, when requested

3. Disclosure Counsel

- Assists the City with preparing a disclosure document in connection with a public offering of debt.
- Provide expert and objective legal opinion and advice on federal securities laws
- Post-issuance advice for bond covenant compliance, when requested

4. Underwriter

- Provide the City with market knowledge
- Assist with credit analysis and preparation
- Premarketing of the Bonds
- Pricing and Sale of Bonds
- Trading of the Bonds

5. Trustee/Fiscal Agent/Paying Agent

- Establishes and holds the funds and account relating to the bond issue
- Maintains the list of names and addresses of all registered owners of the bonds and recordings of transfers and exchanges of the bonds
- Acts as the authenticating agent
- Acts as the paying agent
- Protects the interests of the bondholders by monitoring compliance with covenants and acts on behalf of the bondholders in the event of default
- As the escrow agent, holds the investments acquired with the proceeds of an advance refunding and uses those funds for payments on those investments to pay debt service of the refunding bonds
- As a dissemination agent, acts on behalf of the issuer or other obligated person to disseminate annual reports and event notices to repositories under SEC Rule 15c12-12

IV. TYPES OF DEBT

The following are types of debt the City could issue:

1. New Money Debt

New money debt is debt issued to finance the cost of capital improvement project or other large or extraordinary costs as approved by the City Council.

2. Refunding Debt

Refunding debt is debt issued to refinance (refund) previously issued outstanding debt. The City may issue refunding debt to refinance the principal and of and interest on outstanding bonds or other debt to achieve debt service savings, restructure schedule debt service or convert from variable to fixed interest rate, change or modify the source(s) of payment and security for the refunded debt, or modify covenants otherwise binding upon the City. Refunding may be issued on either on a current or advance basis under federal tax law.

3. Revenue Debt

Revenue debt is generally issued for enterprise funds that are financially self-sustaining without the use of general fund revenue sources and therefore rely on the revenues collected by the enterprise fund to repay the debt.

4. Land-Secured Debt

Examples of land-secured debt include special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes. Land-secured debt is payable from special taxes or assessments that the City will levy on the secured property tax roll.

5. General Obligation (GO) Bonds

In California, GO Bonds require a supermajority voter approval. Most GO bonds are backed by the issuer's ability to level ad valorem tax in amounts sufficient to meet debt service.

6. Lease Financings

Lease revenue bonds, certificates of participation (also known as "COPs") and lease-purchase transactions are examples of lease financings. Lease financings are typically used when the City wishes to pay for debt with its general fund.

7. Bond Anticipation Notes, Grant Anticipation Notes

This type of debt is issued to finance a project in anticipation of other funding sources becoming available at a later time.

8. Tax Revenue Anticipation Notes (TRAN)

A TRAN is issued when the City's anticipated operating revenues are not available when the City's operating expenses need to be paid, which is a common operational challenge for California cities given the irregular distribution of sales tax and property tax revenues.

9. Tax Increment Financings

Tax increment financing may be used to the extent available under California law.

10. Conduit Financings

The City may agree to provide conduit financing for specific public purposes, such as financings for affordable rental housing and qualified 501 c3 organizations. In a conduit financing, the debt is typically repaid with non-City revenues.

V. DEBT TERM

The City Council recognizes that new debt obligations may impact the long-term affordability of all outstanding debt and any future planned debt, as well as budgetary impacts associated with the maintenance and operating costs of debt-financed facilities.

Term of Debt – Debt will be structured for the shortest period possible, consistent with a fair allocation of costs to current and future beneficiaries or users. Debt shall not be issued for a term that exceeds the useful life of the debt-financed asset.

Debt Repayment – Typically the City desires level debt service payments over the term of the debt. However, the cost of capital, financial risk, current economic conditions, future financial flexibility, credit rating and available cash flow will be evaluated to determine the most appropriate method of debt amortization for each debt issue. Notwithstanding the above, back loading of debt service will be evaluated as the circumstances dictate. Back loading occurs when debt service payments are lower in the initial years of a debt term and higher toward the later years of a debt term.

VI. DEBT ISSUANCE

The City has the capacity to issue long and short-term debt and to refund any outstanding debt. The following section details the purposes for debt issuance, the method of sale for such debt and the practices for obtaining professional assistance in the debt issuance process.

Long-term debt – Long-term debt may be used to finance the acquisition or improvement of land, infrastructure, facilities or equipment for which it is appropriate to spread the costs of such over more than one budget year. Long-term debt may be used to fund capitalized interest, cost of issuance, required reserves and any other financing related costs that may be legally capitalized. Long-term debt should not be used to fund City operating costs.

Short-term debt – Short-term debt will be considered as an interim source of funding in anticipation of long-term debt. Short-term may be issued for any purpose for which long-term debt may be issued, including capitalized interest and financing-related costs. Short-term debt is also appropriate to address legitimate short-term cash flow requirements during a given fiscal year to fund the operating costs of the City to provide necessary public services. The City will not engage in short-term borrowing solely for the purpose of generating investment income.

Refunding – Refunding opportunities will be identified by periodic review of outstanding debt obligations. Refunding will be considered when there is a net economic benefit from the refunding. Non-economic refunding may be undertaken to achieve City objectives relating to changes in covenants, call provisions, operational flexibility, tax status, issuer or other non-economic factors related to the debt.

Method of sale – Debt is typically issued under either a competitive or a negotiated sale, but also may be sold in a private placement. The City shall have the flexibility to determine which method of sale is appropriate for each debt issuance. Determination of the appropriate method of sale will rest collectively with the City Manager, Finance Director and City Attorney. There are a number of market factors that will affect the success of a debt offering and each should be carefully considered before selecting a method of sale. These factors include, but are not limited to, 1) market perception of the City's credit quality, 2) interest rate volatility, 3) size of the proposed issue, 4) complexity of the proposed issue and 5) competition with other issuers for investor interest (bond supply).

Pooled Financing – The City may also consider the use of pooled financing as a method of accessing the capital markets. Use of pooled financing will be evaluated collectively by the City Manager, Finance Director and City Attorney on a case-by-case basis.

VII. DEBT CAPACITY

The City is subject to debt capacity limit for its general obligation bonds: 15% of assessed value.

For non-general obligation bonds, determining what the City's debt capacity is at any point in time is difficult. It depends on a number of factors including market conditions, amount of undesignated fund balance in the General Fund, fluctuating cash balances, financial policies, management and staff experience, new or existing revenues to support additional debt and availability of financial consultants to assist in the financial analysis. In the development of this Policy, the goal is to serve as a framework within which the City can evaluate each potential debt issuance.

VIII. PERFORMANCE STANDARDS

The City of Berkeley strives to maintain "investment grade" standings in the municipal market. Below is an Investment Grade Table of the three (3) major rating agencies:

Moody's Investors Service Inc.	Standard & Poor's Corporation	Fitch Investors Service Inc.	Definition
Aaa	AAA	AAA	Highest rating assigned. Very strong security.
Aa	AA	AA	Very strong security, only slightly below the best rating.
A	A	A	Average security but more subject to adverse financial and economic developments.
Baa	BBB	BBB	Adequate capacity to secure debt. Adverse developments may affect ability to meet debt service requirements.

Note: Moody's use the designation "1" to indicate a greater strength with the "Baa" "A" and "Aa" categories. Standard and Poor's and Fitch use "+" and "-" to indicate relative strength or weakness in the "BBB", "A", and "AA" categories.

IX. RELATIONSHIP OF DEBT TO OTHER CITY POLICIES

A. Relationship of Debt to Capital Improvement Program and Budget

The City is committed to long-term capital planning. The City intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the City's capital budget and the capital improvement program.

The City will integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes.

The City shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

B. Policy Goals Related to Planning Goals and Objectives

The City is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the City's annual operations budget.

X. ON-GOING DEBT ADMINISTRATION

The Finance Director will regularly review the City's outstanding obligations, particularly in declining interest rate environment. When rates begin to approach levels at which refunding is cost effective, the City shall select a financing team to begin preparations for a refunding issue.

Use of Debt Proceeds

The Finance Director and other appropriate City personnel shall:

- Monitor the use of debt proceeds and the use of debt-financed assets (e.g., facilities, furnishings or equipment) throughout the term of the debt (and in some cases beyond the term of the debt) to ensure compliance with covenants and restrictions set forth in applicable City resolutions and Tax Certificates;
- Maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of debt;
- Employ appropriate internal controls and redundancy of review to ensure all approved contracts and expenditures are consistent with the terms of the bond sale and ballot language by following the City's established work flow procedures;
- Consult with Bond Counsel and other professional expert advisers in the review of any contracts or arrangements involving use of debt-financed facilities to ensure compliance with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates;
- Maintain records for any contracts or arrangements involving the use of debt-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates; and
- Meet at least annually with personnel responsible for debt-financed assets to identify and discuss any existing or planned use of debt-financed assets to ensure that those uses are consistent with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates.

All relevant records and contracts shall be maintained as described below.

Record Keeping Requirements

Unless otherwise specified in applicable City resolutions or Tax Certificates, the City shall maintain the following documents for the term of each issue of debt (including refunding debt, if any) plus at least three years:

- A copy of the debt closing transcript(s) and other relevant documentation delivered to the City at or in connection with closing of the issue of debt;
- A copy of all material documents relating to capital expenditures financed by debt proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with debt proceeds and records identifying the assets or portion of assets that are financed or refinanced with debt proceeds;
- Copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.

Arbitrage Rebate

The use and investment of tax-exempt debt proceeds must be monitored to ensure compliance with arbitrage restrictions. Existing regulation require that issuers calculate rebate liabilities related to tax- exempt debt issues, with rebates paid to the Federal Government every five years and otherwise required by applicable provisions of the Internal Revenue Code and regulations. The Finance Director shall contract with a specialist to ensure that proceeds and investments are tracked in a manner that facilitates accurate, complete calculations and if necessary timely rebate payments.

XI. DISCLOSURE POLICY

Purpose

These disclosure policies and procedures are intended to (a) ensure that the City complies with federal securities laws as they relate to initial disclosure, (b) ensure that the City's Continuing Disclosure Documents (as defined below) are accurate and comply with all applicable federal and state securities laws, and (c) promote best practices regarding the preparation of the City's initial disclosure documents and Continuing Disclosure Documents.

Definitions

1. "Continuing Disclosure Documents" means (a) annual continuing disclosure reports filed with the MSRB and (b) event notices and any other filings with the MSRB.
1. "EMMA" means the MSRB's Electronic Municipal Market Access website.
2. "MSRB" means the Municipal Securities Rulemaking Board.

3. "Official Statements" means preliminary and final official statements, private placement memoranda and remarketing memoranda relating to the City's securities, together with any supplements, for which a continuing disclosure obligation is required.

Disclosure Working Group

Composition. The Disclosure Working Group consists of the Finance Director, who is designated as the Chief Disclosure Officer, the Accounting Manager, who is the Disclosure Coordinator and other internal City staff that are pertinent to the disclosures. The Finance Director has general oversight over the entire continuing disclosure process. Membership in the Disclosure Working Group shall be augmented by the Finance Director and consist of persons relevant to the disclosure process.

The Disclosure Working Group shall consult with external professionals (such as those with expertise as bond counsel, tax counsel, disclosure counsel and municipal advisor) or other interested parties as the Disclosure Working Group determine is advisable related to continuing disclosure issues and practices. Meetings of the Disclosure Working Group may be held in person or via conference call.

The Disclosure Working Group is an internal working group of City staff.

Responsibilities. The Disclosure Working Group is responsible for:

- a. Reviewing and approving all Preliminary and Final Official Statements before such documents are posted;
- b. Reviewing and approving all continuing disclosure undertakings as contained in the City's Preliminary and Final Official Statements before such documents are posted;
- c. Reviewing annually the City's status and compliance with continuing disclosure undertakings including filings of Annual Reports and Notices of Listed Events;
- d. Reviewing any items referred to the Disclosure Working Group; and
- e. Evaluating the effectiveness of this Disclosure Policy.

Official Statements. The Disclosure Coordinator of the City shall review any Official Statement prepared in connection with any debt issuance by the City in order to ensure there are no misstatements or omissions of material information in any sections that contain descriptions of information prepared by the City.

In connection with its review of the Official Statement, the Disclosure Coordinator shall consult with third parties, including outside professionals assisting the City, and all members of City staff, to the extent that the Disclosure Coordinator concludes they should be consulted so that the Official Statement will include all "material" information (as defined for purposes of federal securities law).

As part of the review process, the Disclosure Coordinator shall submit all Official Statements to the Disclosure Working Group. The Disclosure Working Group, after determining that it meets the requirements of federal tax law, shall instruct the Disclosure Coordinator to send the Official Statement to the City Council for approval. The cover letter used by the Disclosure Coordinator to submit the Official Statements shall be in substantially the form of Attachment 1.

The approval of an Official Statement by the City Council shall be docketed as a new business matter and shall not be approved as a consent item. The City Council shall undertake such review as deemed necessary by the City Council, following consultation with the Disclosure Coordinator, to fulfill the City Council's responsibilities under applicable federal and state securities laws. In this regard, the Disclosure Coordinator shall consult with the City's disclosure counsel to the extent the Disclosure Coordinator considers appropriate.

Continuing Disclosure Filings

Overview of Continuing Disclosure Filings

1. Under its continuing disclosure undertakings, it has entered into in connection with its debt offerings, the City is required to file annual reports ("Annual Reports") with the MSRB's EMMA system. Such Annual Reports are required to include the City's audited financial statements and certain updated financial and operating information (or may incorporate by reference publicly-available documents that contain such information).
2. In accordance with each continuing disclosure undertaking, if audited financial statements are not available by the date the Annual Report is required to be filed, unaudited financial statements are to be included in such Annual Report and audited financial statements shall be filed when such statements become available. If unaudited financial statements are filed, the cover page may include a disclaimer stating that such financial statements are unaudited and are subject to adjustments and modifications, the result of which will be presented in the audited financial statements. In addition, in accordance with the applicable continuing disclosure undertaking, the City shall file or cause to be filed a notice of any failure to provide its Annual Report on or before the date specified in a Continuing Disclosure Document.
3. The City is also required under its continuing disclosure undertakings to file notices of certain events on EMMA ("Notices of Listed Events").

The City's Annual Comprehensive Final Report (ACFR) will serve as the repository for statements of indebtedness. The fiscal year debt statements in each ACFR certify the amount of (i) new debt issued, (ii) debt outstanding, (iii) debt authorized but not issued (iv) assessed valuation and (v) outstanding debt expressed as a percentage of assessed valuation, each as of the end of the fiscal year to which the ACFR relates.

The City shall prepare or cause to be prepared appropriate disclosures as required by Securities and Exchange Commission Rule 15c2-12, the federal government, the State of California, rating agencies, bond insurers, underwriters, bond counsel, investors, taxpayers, and other persons or entities entitled to disclosure to ensure compliance with applicable laws and regulations and agreements to provide ongoing disclosure.

Public Statements Intended to Reach Financial Markets

Whenever the City makes statements or releases information relating to its finances to the public that are reasonably expected to reach investors and the trading markets, the City is obligated to ensure that such statements and information are complete, true, and accurate in all material respects.

Training

The Disclosure Coordinator shall ensure that the members of the City staff involved in the initial or continuing disclosure process and the City Council are properly trained to understand and perform their responsibilities.

The Disclosure Coordinator shall arrange for disclosure training sessions conducted by the City's disclosure counsel. Such training sessions shall include education on these Disclosure Procedures, the City's disclosure obligations under applicable federal and state securities laws and the disclosure responsibilities and potential liabilities of members of the City's staff and members of the City Council. Such training sessions may be conducted using a recorded presentation.

XII. DEBT MANAGEMENT AND DISCLOSURE POLICY REVIEW

The Finance Director shall review this Debt Management and Disclosure Policy at a minimum of every five (5) years or as required by law and recommend any changes to the City Manager and City Council.

INVESTMENT POLICY

I. INTRODUCTION

Pursuant to Sections 2.44.040 and 2.44.060 of the Berkeley Municipal Code, Resolution No. 45,087-N.S., and Sections 53601, 53607, 53636 and 53648 of the State Government Code, the Director of Finance, the Treasurer of the City, is authorized to make investments of the City's idle funds. The Code also directs the City to present an annual investment policy to the City Council for approval. This Investment Policy, after approval of the amendments by the City Council, will serve as the Investment Policy for the City of Berkeley for fiscal year 2019.

A. Scope of Policies

These investment policies apply to the investments of the City of Berkeley and the Rent Stabilization Board. All financial assets of any non-trust funds, including the general fund and

other funds that may be created from time to time, shall be administered in accordance with the provisions of these policies.

B. Investment Objectives

The City's primary investment objective is to achieve a reasonable rate of return on public funds while minimizing the potential for capital losses arising from market changes or issuer default. Although the generation of revenues through interest earnings on investments is an appropriate City goal, the primary consideration in the investment of City funds is capital preservation in the overall portfolio. As such, the City's yield objective is to achieve a reasonable rate of return on City investments rather than the maximum generation of income, which could expose the City to unacceptable levels of risk.

The following investment objectives, in order of priority, shall be applied in the management of City funds: safety, liquidity and yield.

1. Safety of principal is the foremost objective of the investment program

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit risk and interest rate risk, summarized as follows:

- a. Credit risk. This is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:
 - Limiting investments to the safest types of securities.
 - Determining the credit worthiness of the financial institutions, broker/dealers, and intermediaries with which the City does business.
 - Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- b. Interest rate risk. This is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:
 - Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity; and
 - Investing operating funds primarily in shorter-term securities.

2. Liquidity

No investment shall be made that could not appropriately be held to maturity without compromising liquidity requirements. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary markets (dynamic liquidity).

3. **Yield**

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a reasonable return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- i. Liquidity needs of the portfolio require that the security be sold.
- ii. A security swap would improve the quality, yield, or target duration in the portfolio.

4. **Responsible Investing**

Investment policies of the City of Berkeley shall comply with the letter of the following ordinances, resolutions and directives:

- Nuclear-Free Berkeley Act
- Resolution No. 59,853-N.S.-Oppressive States Contract prohibition
- Divestment from Gun Manufacturers and Tobacco Companies
- Divestment from Publicly Traded Fossil Fuel Companies and Banks that Finance Pipelines and Fossil Fuel Infrastructure
- Divestment from Prisons Resolution No. 67,640-N.S. and Immigration Detention Companies
- Divest from Any Companies Designing, Building or Financing the U.S. – Mexico Border Wall Resolution No. 67,865-N.S.
- No Investment in Any Entity Involve in the Production and Manufacturing of Weapons-Resolution No. 68,766-N.S.
- Integrate Environmental, Social, and Governance Principles (ESG) for All Investment Decision Making Process (See Appendix B for details.)

a. **Nuclear-Free Berkeley Act**

To the extent possible, without compromising the City's safety, liquidity and yield objectives, it is the City's policy to prefer investments in U.S. Agency securities. They are preferred because of their generally higher yields and generally socially preferable uses, such as housing loans or student loans, versus investments in Treasury securities with their association with nuclear weapons.

All financial institutions, which hold deposits or investments of the City, shall file a statement with the Director of Finance indicating the percentage of the bank's assets which are loaned to or invested in nuclear weapons agents as defined in Section 12.90 of the Nuclear-Free Berkeley Act. The Director of Finance shall use this information as a factor in selecting banks which have minimum involvement in the nuclear weapons industry. A summary of these reports shall be attached to the annual Statement of Investment Policies.

- Investments in United States Treasury securities may be made by the City of Berkeley.
- The City of Berkeley shall ensure that any City funds, or any funds controlled by the City, invested or other third parties, are invested according to the provisions of this section and, to this end, shall obtain written assurances to this effect from any such trustees or third parties.

b. Divestment from Publicly-Traded Fossil Fuel Companies and Companies that Provide Direct Financing or On-going Lines of Credit for the Funding of Fossil Fuel Infrastructure

The City of Berkeley has a responsibility to protect the lives and livelihoods of its inhabitants from the threat of climate change. While fossil fuel companies provide an attractive return on investment, the City of Berkeley will suffer greater economic and financial losses from the impact of unchecked climate change. The City's infrastructure, businesses and communities would face greater risk of damages and losses due to that climate change. The City believes that its investments should support a future where all citizens can live healthy lives without the negative impacts of a warming environment. For the purposes of the Investment Policy, a "fossil fuel company" shall be defined as any of the two hundred publicly-traded companies with the largest coal, oil and gas reserves as measured by the gigatons of carbon dioxide that would be emitted if those reserves were extracted and burned, as listed in the Carbon Tracker Initiative's "Unburnable Carbon" report.

Staff responsible for managing the City's investment portfolio are directed to divest all City funds held in fossil fuel companies or companies that provide direct financing or on-going lines of credit for the funding of fossil fuel infrastructure such as the Dakota Access Pipeline and are prohibited from making any new investments in such companies.

c. Divestment from Gun Manufacturers and Tobacco Companies

The City of Berkeley has a responsibility to protect the lives and livelihoods of its inhabitants from the threat of dangerous weapons and products. There is no better role for city government than to protect people. If the City invests in companies that are putting dangerous weapons and dangerous products on our streets, then the City is part of the problem.

Staff responsible for managing the City's investment portfolio are directed to divest all City funds held in gun manufacturers and tobacco companies and are prohibited from making any new investments in such companies.

d. Divestment from Prisons and Immigration Detention Companies

The prison and immigration detention industry reaps large monetary benefits from the imprisonment of these communities. Prison companies admit that their companies benefit from high incarceration rates. With the increasing economic

benefits that come with commodifying human lives, the City of Berkeley should divest from prison and immigration detention companies to make a statement that the industry harms human lives and degrades them as monetary investment.

Staff responsible for managing the City's investment portfolio are directed to divest all City funds held in Prisons and Immigration Detention Companies and are prohibited from making any new investments in such companies.

e. **Divestment from any Companies Designing, Building or Financing the U.S.-Mexico Border Wall - Resolution No. 67,865-N.S.**

The City of Berkeley is strongly opposed to the construction of a border wall between the United States and Mexico as called for in Presidential Executive Order 13767. Immigration has been part of this country's history since its inception. Construction of a border wall with tightened security will harm refugees who are feeling violence and conflict in Central American countries including Honduras and El Salvador. A border wall would increase international tensions and cause environmental damage by increasing emissions, cutting off natural water flows, and disturbing wildlife migration routes. The wall would cut through ancestral native lands and would significantly disrupt tribal communities. In addition, construction of a wall would be huge financial burden to taxpayers. Therefore, to ensure that local tax dollars in no way support the construction of the proposed border wall, the City of Berkeley will divest from all companies involved with designing, building, and financing the border wall.

Staff responsible for managing the City's investment portfolio are directed to divest all city funds from companies that design, build or finance the U.S.-Mexico border wall as called for in Presidential Executive Order 13767, and are prohibited from making any new investments in such companies.

f. **No Investment in Any Entity Involve in the Production and Manufacturing of Weapons-Resolution No. 68,766-N.S.**

The City of Berkeley joins the cities nationwide that oppose militarism and violence, and encourages other cities to follow Berkeley's lead. U.S. weapons manufacturers continue to supply repressive regimes around the world and U.S. produced weapons are being used in attacks that the international community deems unlawful for their disproportionate and excessive harm to civilians.

Staff responsible for managing the City's investment portfolio are directed to divest all City funds from companies that are involved in the production or manufacturing of weapons and weapons system, whether conventional or nuclear and including the manufacture of civilian arms.

These guidelines apply to all cash-equivalent assets included within the scope of the City's audited financial statements and held either directly by the City or held and invested by fiscal agents.

g. Integrate Environmental, Social, and Governance Principles (ESG) for All Investment Decision Making Process (See Appendix B for details.)

This combines environmental, social, and governance issues with traditional financial factors in the investment decision-making process. ESG investing helps cities like Berkeley to benefit from both impact driven and financially prudent investments. ESG principles would put Berkeley's values into our investment dollars.

C. Use of State Investment Guidelines

Government Code Sections 16481.2, 53601, 53607, 53635, and 53646 of the State of California regulate the investment practices. It is the policy of the City of Berkeley to use the State's provisions for local government investments as the base for developing and implementing the City's investment policies and practices.

As required under Government Code Sections 16481.2 and 53646, the Statement of Investment Policies will be reviewed by the Council annually.

II. INVESTMENT AUTHORITY AND RESPONSIBILITIES

A. Authorized Investment Officers

1. Idle Funds

Pursuant to Sections 2.44.040, 2.44.060 of the Berkeley Municipal Code, Resolution No. 45,087-N.S., and Sections 53601, 53636 and 53648 of the State Government Code, the Director of Finance, the Treasurer of the City, is authorized to make investments of the City's idle funds. Responsibility for the operation of the investment program is hereby delegated to the Director of Finance, who shall carry out established written procedures and internal controls for the operation of the investment program consistent with this plan. Procedures should include references to: safekeeping, delivery versus payment basis of settling transactions, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts. In the exercise of this responsibility, the authority to perform specific investment tasks and duties is delegated as follows:

- Treasury Manager/Revenue Collection Manager. In the absence, and under the direction, of the Finance Director, to invest idle funds on a daily basis as required for cash flow purposes pursuant to the requirements of the Statement of Investment Policies.
- Senior Accountant or Accounting Manager. To execute necessary investment documents, and obtain the approval of the Director of Finance to authorize wire transfers and execute bank authorizations.

- Deputy City Manager. To execute necessary investment documents, authorize wire transfers; execute bank authorization in absence of the Director of Finance, Treasury Manager/ Revenue Collection Manager, Senior Accountant, and the Accounting Manager.

B. Internal Controls

The Director of Finance shall establish a system of internal controls designed to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City of Berkeley. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. These controls shall include:

- Separation of transaction authority from accounting and physical custody.
- By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- Also, securities purchased from any bank or dealer including appropriate collateral (as defined by State Law), shall be placed with an independent third party for custodial safekeeping.
- Avoidance of physical delivery of securities by using a delivery versus payment “Basis of Settlement Only.”
- All trades will be executed on a delivery versus payment (DVP) basis. This ensures that securities are delivered to the City’s safekeeping bank at the same time the funds are released by the City’s safekeeping bank.
- Third-Party custodial safekeeping of securities held in the name of the City. Delivered securities must be properly safeguarded against loss or destruction. Book entry securities are recorded in electronic records and the potential for fraud and loss increases with physically delivered securities. All investment securities, except collateralized certificates of deposit and money market funds, purchased by the City will be delivered by either book entry or physical delivery and will be held in third- party safekeeping by a City-approved custodian bank, its correspondent New York Bank or the Depository Trust Corporation (DTC). Whenever possible, securities purchased are to be recorded in “book entry” form.
- All securities and applicable collateral will be held by the City’s third-party custodian and evidenced by safekeeping receipts. All book entry securities owned by the City shall be evidenced by a safekeeping receipt issued to the City by the custodian bank to acknowledge that the securities are held in the Federal Reserve

system in a “customer account” for the custodian bank which names the City as “customer”;

The Director of Finance will require each approved safekeeping financial institution to submit a copy of its Consolidated Report of Condition and Income (Call Report) to the City within 60 days after the end of each calendar quarter.

- Competitive bidding on investment transactions. Before the City invests in any secondary market funds, competitive bids shall be requested. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, bids will be requested from at least three financial institutions for instruments which meet the maturity requirement. If no specific maturity is required, a yield curve analysis will be conducted to determine which maturities would be most advantageous.
- Written confirmation and documentation of all financial transactions.
- Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures.
- Rapid deposit of funds received by the City (i.e., large checks.)
- Bonding of all investment officials.

C. Evaluation of investment Officer Actions

Section 53600.3 of the Government Code identifies trustees as those persons authorized to make investment decisions on behalf of a local agency. As a trustee, the standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this plan.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions

that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

III. CAPITAL PRESERVATION AND RISK

A. Overview

Some level of risk is inherent in any investment transaction. Losses may be incurred due to issuer default, market price changes, or technical cash flow complications such as investments in non-marketable certificates of deposit. Diversification of the City's portfolio by institution, investment vehicle, and maturity term is the primary tool available to the City in minimizing investment risk and capital losses by safeguarding the overall portfolio from any individual loss.

B. Portfolio Diversification Practices

The following sections summarize the City's major portfolio diversification practices and guidelines in determining:

- Authorized Dealers
- Investment Vehicles
- Investment Maturity

Portfolio limitations included in these guidelines are to be based on the portfolio composition and investment management plan policies in effect at the time of placement; the actual composition of the City's investments may vary over time from plan limitations due to overall portfolio changes from when the individual placement was made as well as changes in the City's investment management plan

IV. ELIGIBLE FINANCIAL INSTITUTIONS

A. Authorized Dealers

- Investments shall be purchased only through well-established, financially sound institutions. The Finance Director shall maintain a list of financial institutions and broker/dealers approved for investment. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions will be given a copy of the City's Statement of Investment Policies, and a return cover letter which must be signed indicating that the Statement of Investment Policies has been read and understood.

Qualified financial institutions and broker/dealers must supply the Director of Finance with the following:

- Financial Institutions
 - Current audited financial statements Depository contracts, as appropriate
 - A copy of the latest FDIC call report or the latest FHLBB report, as appropriate.
- Broker/Dealers
 - Current audited financial statements
 - Proof that brokerage firm is a member in good standing with a national securities exchange.
- Except for repurchase agreements, investments shall be awarded based on competitive bids. Documentation relating to investment quotes shall be maintained by the Finance Department for a period of one year.

B. Individual Placement of Deposits

Individual placement of negotiable, collateralized, and other time certificates of deposit with eligible financial institutions shall be based on the following practices and procedures:

- Deposits shall only be placed with financial institutions maintaining offices within the City of Berkeley.
- Unless collateralized by eligible securities as provided in Sections 53651 and 53652 of the Government Code, the maximum amount of Certificates of Deposit to be placed with any single institution is \$250,000.

V. INVESTMENT VEHICLES

A. State of California Limitations

As provided in Sections 53601, 53635, and 16429.1 of the Government Code, the State of California limits the investment vehicles available to local agencies to the following:

1. U.S. Treasury Instruments

As authorized in Government Code Section 53601(b), this category includes bills, notes, bonds or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There are no portfolio limitations on the amount.

2. Government Sponsored Enterprises

As authorized in Government Code Section 53601(f), this category includes a wide variety of government securities. These securities include U. S. government-sponsored enterprise obligations, such as issues by the Federal National Mortgage Association (FNMA's), Federal Home Loan Bank (FHLB), Federal Farm Credit

(FFCB), Student Loan Marketing Association (SLMA), etc. There are no portfolio limitations on the amount.

3. Municipal Securities

As authorized in Government Code Section 53601(a)(c)(d)(e), this category includes obligations of the City, the State of California, any of the other 49 states, and any local agency within the State of California, provided that:

- The securities are rated “A” or higher by at least one nationally recognized statistical rating organization.
- No more than 5% of the portfolio may be invested in any issuer.
- The maximum maturity does not exceed five years.

4. Banker's Acceptances

As provided in Government Code Section 53601(f)g, 40% of the City's portfolio may be invested in Banker's Acceptances, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank, although no more than 30% of the portfolio may be invested in Bankers' Acceptances with any one commercial bank. Additionally, the maturity period cannot exceed 180 days.

5. Commercial Paper

Commercial paper is a short-term, unsecured promissory note issued by financial and non- financial companies to raise short-term cash. As provided in Government Code Section 53601(h) up to 25% of the City's portfolio may be invested in "prime" commercial paper of the highest ranking or of the highest letter and number rating as provided by a nationally recognized statistical-rating organization (i.e., Moody's or Standard and Poor's or Fitch), with maturities not to exceed 270 days. The issuer must have total assets in excess of \$500 million, and have debt other than Commercial Paper rated “A” or higher by a nationally recognized statistical-rating organization.

6. Negotiable Certificates of Deposit

Negotiable certificates of deposit are a fixed deposit certificate that may be negotiated (traded) to a third party. The institution issuing the certificate promises to pay the holder the initial investment plus the interest rate stated on the certificate at maturity. As authorized in Government Code Section 53601(i), the City may invest 30% of its portfolio in negotiable certificates of deposit issued by commercial banks, thrifts and foreign banks.

7. Repurchase Agreements

Repurchase agreements are agreements between the local agency and seller for the local agency to purchase government securities to be resold back to the seller at a specific date and for a specific amount and are authorized by Government Code Section 53601(j). Although the legal maximum maturity on these investments

is 360 days, repurchase agreements are generally short-term investments varying from one day to two weeks.

Investments in repurchase agreements must be collateralized, and collateral required for repurchase agreements is limited to Treasury and Agency securities. In order to anticipate market changes and provide a level of security for all funds, the required collateralization level is 102% of market value of principal and accrued interest.

8. Reverse Repurchase Agreements

Reverse repurchase agreements are a sale of securities by the local agency with a simultaneous agreement for the local agency to repurchase the securities on or before a specified date. As provided in Government Code section 53635(j), reverse repurchase agreements require the prior approval of the City Council. Reverse repurchase agreements can only be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with the local agency. There are no portfolio limitations on the amount for these investments.

9. Medium-Term Corporate Notes

As authorized in Government Code Section 53601(k), local agencies may invest in corporate bonds and notes of industrial companies, banks, bank holding companies, insurance companies, thrifts and finance companies that are rated "A" or better by a nationally recognized rating service; and issued by corporations organized and operating in the United States. The maximum remaining maturity is limited to five years, and the amount invested must not exceed 30% of the agency's portfolio.

10. Shares of Beneficial Interest Issued by Diversified Management Companies

As authorized in Government Code Section 53601(l), local agencies are also authorized to invest in shares of beneficial interest issued by diversified management companies (i.e., mutual funds) as defined in Section 23701(m) of the Revenue and Taxation Code in an amount not to exceed 20% of the agency's portfolio.

11. Financial Futures and Financial Option Contracts

As authorized in Government Code Section 53601.1, local agencies may invest in financial futures or option contracts in any of the above investment categories subject to the same overall portfolio limitations.

12. Time Certificates of Deposit

As authorized in Government Code Section 53635, time certificates of deposit are fixed term, non-negotiable investments which are required to be collateralized 110% by eligible pooled securities. The pool is administered by the State, and is composed of a wide variety of government securities, secured by first mortgages on improved residential property located in the State.

There are no portfolio limits on the amount; however, the maturity period for this investment vehicle may not exceed five years unless approved by the Council.

13. Local Agency Investment Fund

As authorized in Government Code Section 16429.1, local agencies may invest in the Local Agency Investment Fund (LAIF), a pooled investment fund managed by the State Treasurer's Office. It operates like a money market fund, but is for the exclusive benefit of governmental entities within the State. The current maximum amount of money that may be invested is \$40 million.

14. Moneys Held by A Trustee or Fiscal Agent

As authorized in Government Code Section 53601(m), debt proceeds held by a trustee or fiscal agent, which are pledged to the payment or security of bonds or other indebtedness may be invested in accordance with the statutory provisions governing the issuance of those bonds or other agreement; or to the extent not inconsistent with statutory provisions, or if there are no specific statutory provisions, investments may be made in accordance with the ordinance, resolution, indenture, or agreement of the local agency for the issuance.

This category includes investment agreements approved in writing by insurance companies, supported by appropriate opinions of counsel with notice to Standard and Poor's.

15. Other Secured Notes, Bonds or Other Obligations

As authorized in Government Code Section 53601(n), notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities.

16. Mortgage Pass Through, Collateralized Mortgage Obligation, Mortgage-backed Bond, Equipment Lease-backed Certificate, Consumer Receivable Pass through Certificate, and Consumer Receivable-backed Bond

As authorized in Government Code Section 53601(o), securities in this category must be rated "AA" or its equivalent or better by a nationally recognized rating service. Purchases may not exceed 20% of the agency's portfolio.

17. Public Bank Obligations

As authorized in Government Code Section 53601(r), 53635(c), and 57603 local agencies may invest on commercial paper, debt securities or other obligations of a public bank. The maximum remaining maturity is limited to five years.

B. City Policies

1. Allowable Investment Vehicles and Restrictions

The Director of Finance/City Treasurer is authorized to invest in any of the investment vehicles allowed by Sections 53601, 53635 and 16429.1 of the Government Code above, with the following limitations:

Financial futures; option contracts, floaters, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest income if held to maturity may not be purchased. Exclusion of these vehicles is consistent with the City's overall objective of achieving reasonable yields on public funds while minimizing risk and capital losses. Although the potential exists for greater interest yields with these vehicles, it is believed that the potential level of risk exceeds their benefits except in very limited circumstances.

- Reverse repurchase agreements shall be entered into only to effect a “matched” transaction whereby the proceeds of the reverse are reinvested for the same period as the term of the reverse repurchase agreement.
- Funds will only be invested in negotiable Certificates of Deposit that are fully insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) in amounts up to \$250,000 (including interest).
- The authority to invest in certain securities is restricted by the provisions of the section entitled “Responsible Investing”.
- No more than 45% of the portfolio may be invested in callable agency or government- sponsored enterprise securities.
- Commercial paper is limited to a maturity of 180 days, and the issuer must have the highest rating from two nationally recognized rating agencies, not one (as required by the State).
- The greater of \$5 million or 2% of the short-term portfolio can be in the commercial paper of any single corporation or group under essentially common ownership or control.
- Purchases of such corporate notes as mortgage pass through, collateralized mortgage obligation, mortgage-backed bond, equipment lease-backed certificate, consumer receivable pass through certificate and consumer receivable-backed bond must be rated “Aa” or AA or its equivalent or better by a nationally recognized rating service.

As authorized in Government Code Section 53601(j), staff may invest in corporate bonds and notes of industrial companies, banks, bank holding companies, insurance companies, thrifts and finance companies that are rated “A” or better by a nationally recognized rating service; and issued by corporations organized and operating in the United States. The amount invested must not exceed 30% of the agency's portfolio.

- No investment shall be made which involve a “hidden” reduction in the investment rate or yield in order to subsidize other investment programs. For example, the City invests \$10,000,000 for a year at a rate of 1% less than “market” rates.
- Up to 100% of the portfolio may be placed in money market accounts.

See Appendix A for the Investment Portfolio/Diversification Requirements, which lists the maximum amounts that may be invested in the various investment types and the maximum authorized maturities.

2. Term

Reserve funds from the proceeds of debt issues may be invested by the Director of Finance/City Treasurer in government agency securities with terms exceeding five (5) years, if the maturity of such investments is made to coincide as nearly as practicable with the life of the debt issue. A maximum of 30 percent of the par value of the portfolio may be invested in a stated maturity of up to 10 years.

3. New Investments

No new types of investments will be purchased for the first time without at least two weeks notification to the City Council. For example, although Mortgage Pass through securities are authorized investments, none will be purchased for the first time without such prior City Council notification.

VI. INVESTMENT MATURITY

In addition to the risks associated with the credit-worthiness of the financial institution and the security of the investment vehicle, the maturity period of investments is also a significant consideration in the management of the City's portfolio. In order to minimize the impact of market risk, it is intended that all investments will be held until maturity. Investments may be sold prior to maturity for cash flow or appreciation purposes; however, no investment shall be made based solely on yields resulting from anticipated capital gains.

Also, except for debt proceeds, a maximum of 30 percent of the par value of the portfolio may exceed five years.

VII. CASH MANAGEMENT

To achieve a reasonable return on public funds, the following cash management practices will be followed:

- Maintain maximum investment of all City funds not required to meet immediate cash flow needs while maintaining adequate compensating balances as required under the City's banking services agreement.
- Pool resources available for investment from all City-administered funds, with interest earnings allocated to each of the funds in accordance with generally accepted accounting principles.
- Maximize the City's cash flow through the immediate deposit of all cash receipts, use of direct deposits and wire transfers when available, and appropriate timing of payments to vendors.
- Maximize the cash flow information available through the use of only one operating bank account.

VIII. EVALUATION OF INVESTMENT PERFORMANCE

As indicated in the Introduction section of this document, it is the City's primary investment objective to achieve a reasonable rate of return on public funds while minimizing risks and preserving capital. In evaluating the performance of the City's portfolio in achieving this objective, it is expected that yields on City investments will regularly meet or exceed the average return on the State Local Agency Investment Fund (LAIF).

IX. INVESTMENT REPORTING

Consistent with Sections 16481.2 and 53646 of the Government Code, the Department of Finance shall submit an annual Statement of Investment Policies to the Council for consideration at a public meeting.

In addition to the submittal of an annual Statement of Investment Policies, the Department of Finance shall provide the Council with a quarterly and annual investment report providing the following information for each investment or security:

- Issuer or broker/dealer (financial institution)
- Type of investment
- Certificate or other reference number if applicable
- Percentage yield on an annualized basis
- Purchase date
- Maturity date for each investment and the weighted average maturity of all the investments within the portfolio
- Current book value

- Current market value
- Total cost and market value, including source of this valuation, of the City's portfolio
- A description of the compliance with the Statement of Investment Policies
- An evaluation of investment operations for the preceding year. This shall include an evaluation of how well the objectives have been achieved: the accuracy of forecasting expenditures and revenues, as well as a comparison of the average returns on the investment portfolio with that of the Local Agency Investment Fund (LAIF).
- Report of investments. The Director of Finance shall prepare a report that provides a clear status of the current investment portfolio and transactions. The report will be prepared in a manner which allows the City Manager and Council to ascertain whether investment activities during the reporting period have conformed to the investment policies.
- Summary of key or unusual events, including but not limited to:
 - Any exceptions to policies;
 - Adherence to or deviations from social investment goals;
 - Purchases of Treasury securities, other than in repurchase agreements with maturities of seven days or less;
 - Purchases of securities that exceed maturity limits;
 - Sales of securities more than three months before maturity;
 - Changes in investment procedures, dealers, staff, etc.
- Investment performance:
 - A glossary, defining all funds or accounts referred to elsewhere in the report; and a listing of banks, securities dealers and custodians that the City has had investment transactions during the period.
 - A summary of the certifications for deposits of City funds.
 - Other information regarding the City's portfolio as appropriate

The Quarterly Investment Report shall include all investments as of the end of the quarter from all funds held in the City's portfolio, and shall be issued within 60 days after the end of the quarterly reporting period to the City Manager, and the City Council; the annual report shall be issued within 90 days after the end of the fiscal year to the City Manager, and the City Council.

X. APPENDICES

A. Investment Portfolio – Diversification Requirements

INVESTMENT PORTFOLIO DIVERSIFICATION REQUIREMENTS

Investment Instrument	Maximum Amount of Portfolio	Maximum Length to Maturity
Bank / Time Deposit Accounts	100%	5 Years
Money Market Deposit Accounts	100%	N/A
Repurchase Agreements	10%	1 Year
Reverse Repurchase Agreements	10%	7 Days
Bankers Acceptances	40%	7 Days
U.S. Government Securities (Treasury Bills, Notes, and Bonds)	100%	10 Years
U.S. Government Agency Securities by Agency	100%	10 Years
Certificates of Deposit (Negotiable)	30%	10 Years
Municipal Bonds	100%	5 Years
Commercial Paper	25%	180 Days
Medium Term Notes	30%	10 Years
Public Bank Obligations	10% of Unrestricted Investments	5 Years

B. Berkeley's ESG Investing Initiative



CITY OF BERKELEY

BERKELEY'S ESG INVESTING INITIATIVE

On November 27, 2018, City of Berkeley City Council approved the recommendation to incorporate the Environmental, Social, and Governance (ESG) principles in the City of Berkeley's investment policy. This is a new effort to integrate ESG considerations into Berkeley's investment decision-making process would lead the way for responsible investment in the United States and across the globe. ESG factors makes good business sense and leads to more sustainable markets and better outcomes for societies.

WHAT IS ESG INVESTING?

ESG investing describes the consideration of environmental, social, and governance (ESG) factors alongside traditional financial factors in the investment decision-making process, ensuring that investments are financially prudent and impact driven. ESG factors may include greenhouse gas emissions, energy usage, labor standards, business ethics, gender and racial diversity, executive compensation, and more.

WHY IS ESG INVESTING IMPORTANT?

First, ESG investing drives better risk-adjusted returns, since companies that score higher on ESG factors tend to have stronger fundamentals that mitigate financial risk, putting those companies in a better position for long-run stability and profitability.

And second, ESG investing helps guide investment dollars to make a positive impact on some of the most fundamental challenges facing Berkeleyans. Through promoting investments in companies that prioritize conservation and sustainable business practices, it helps protect our environment for future generations. Through promoting investments in companies that promote a better quality of life for all of us, it helps create a more equitable, just corporate eco-system and world. And through promoting investments in companies with strong corporate governance, it helps promote sound and representative management practices.

WHAT IS THE CITY OF BERKELEY'S APPROACH?

We plan to take clear, defined steps toward fully integrating ESG factors into the investment decisions within our operating portfolio, potentially including the following actions and commitments:

- **100% Integration:** Ensure that 100% of investment decisions on corporate securities are analyzed through ESG factors, making Berkeley one of the few cities in the country to take this step with its operating portfolio. Specific factors will include (but will not be limited to):
 - *Environmental:* Carbon Footprint; Energy Consumption; Water/Waste; External Conservation Initiatives; and Sector-Specific Adjustments.
 - *Social:* Labor Rights; Employee Diversity; Corporate Social Responsibility; and Human Rights/Ethics.
 - *Governance:* Leadership Structure; Executive Compensation; Human Capital Management; Transparency/Disclosure; and Shareholder Rights.
- **Comprehensive Approach:** Seek to maintain a minimum ESG portfolio rating of investment grade or higher.
- **Proactive, Responsible Investing:** Pursue opportunities for sustainable investments, including purchasing securities from market leaders in disclosure and corporate board diversity, securities that fund community development projects, and other securities with strongly positive effects on our communities.
- **Commitment to Carbon-Neutrality:** Achieve a carbon-neutral portfolio from an investment perspective, which may include seeking to offset existing investments in the top 200 publicly-owned coal, oil, and gas reserve owners (ranked by the carbon emissions embedded in their reserves) with socially responsible investments.

2180 Milvia Street, 3rd Floor | Civic Center Building - 3rd Floor | Berkeley, CA 94704
Phone: (510) 981-7300 | Fax: (510) 981-7390 | Email: finance@ci.berkeley.ca.us

INVESTMENT POLICY FOR RETIREE MEDICAL PLAN TRUST FUNDS

I. INTRODUCTION

Pursuant to Sections 2.44.040 and 2.44.060 of the Berkeley Municipal Code, Resolution No. 45,087-N.S., and Sections 53601, 53607, 53636 and 53648 of the State Government Code, the Director of Finance, the Treasurer of the City, is authorized to make investments of the City's idle funds. The Code also directs the City to present an annual investment policy to the City Council for approval. This Investment Policy, after approval of the amendments by the City Council, will serve as the Investment Policy for the City of Berkeley for the subsequent fiscal year.

Notwithstanding Section 53601 or 53635, the governing body of a local agency may invest funds designated for the payment of employee retiree health benefits in any form or type of investment deemed prudent by the governing pursuant to Section 53622. The authority of the governing body to invest or to reinvest funds intended for the payment of employee retiree health benefits, or to sell or exchange securities purchased for that purpose, may be delegated by the governing body to designated officers. The City Council has designated the Director of Finance, the Treasurer of the City, or his/her designee, the authority to make investments of the City's retiree medical plan trust funds.

Funds intended for the payment of employee retirement health benefits shall only be held for the purpose of providing benefits to participants in the retiree health benefit plan and defraying reasonable expenses of administering that plan.

The governing board or designated officer, when making investments of the funds, shall discharge its duties with respect to the investment of the funds.

- (1) Solely in the interest of, and for the exclusive purposes of providing benefits to, participants in the retiree health benefit plan, minimizing employer contributions thereto, and defraying reasonable expenses of administering the plan.
- (2) With care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.
- (3) Shall diversify the investments of the funds so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

A. Scope of Policies

These investment policies apply to the investments of the Retiree Medical Plan Trust Funds.

B. Investment Objectives

The Treasurer adheres to the principle which maintains that over the long-term, prudent investment risk-taking may be rewarded with higher incremental returns. Consequently, while capital preservation (i.e., Safety) is regarded to be of paramount importance, the Treasurer regards prudent risk-taking as justifiable.

C. Use of State Investment Guidelines

As required under Government Code Sections 16481.2 and 53646, the Statement of Investment Policies will be reviewed by the Council annually.

II. INVESTMENT AUTHORITY AND RESPONSIBILITIES

A. Authorized Investment Officers

1. *Retiree Medical Trust Funds:*

A Trust is to be established by the City for the purpose of holding and investing assets separate and apart from the other funds of the City to fund the benefits of the Program. The specific terms governing the Trust are to be set forth in a separate trust instrument.

- The trustee of the Trust (the “Trustee”) may be the City Treasurer (i.e., Director of Finance) or an independent third party qualified to act as a trustee under California law and designated by the City.
- The Trustee shall be a fiduciary of the Program and shall act solely in the interest of the Participants, minimizing employer contributions to the Trust, and defraying reasonable expenses of administering the Program.
- The City Manager may, with the written concurrence of the City Council, appoint an “investment manager” (as that term is defined in section 3(38) of the Employee Retirement Income Security Act) to have responsibility for investment of the Trust assets. In this case, the Trustee shall act as directed by the investment manager. The investment manager shall act as a fiduciary of the Program and shall act with the same duties and responsibilities set out in “Investment Objectives” section above.

B. Internal Controls

The Director of Finance shall establish a system of internal controls designed to prevent losses of trust funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City of Berkeley. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. These controls shall include:

- Separation of transaction authority from accounting and physical custody.
- By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- Also, securities purchased from any bank or dealer including appropriate collateral (as defined by State Law), shall be placed with an independent third party for custodial safekeeping.
- Avoidance of physical delivery of securities by using a delivery versus payment “Basis of Settlement Only”.

- All trades will be executed on a delivery versus payment (DVP) basis. This ensures that securities are delivered to the City's safekeeping bank at the same time the funds are released by the City's safekeeping bank.
- Third-Party custodial safekeeping of securities held in the name of the City. Delivered securities must be properly safeguarded against loss or destruction. Book entry securities are recorded in electronic records and the potential for fraud and loss increases with physically delivered securities. All investment securities, except collateralized certificates of deposit and money market funds, purchased by the City will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by a City-approved custodian bank, its correspondent New York Bank or the Depository Trust Corporation (DTC). Whenever possible, securities purchased are to be recorded in "book entry" form.
- All securities and applicable collateral will be held by the City's third-party custodian and evidenced by safekeeping receipts. All book entry securities owned by the City shall be evidenced by a safekeeping receipt issued to the City by the custodian bank to acknowledge that the securities are held in the Federal Reserve system in a "customer account" for the custodian bank which names the City as "customer";

The Director of Finance will require each approved safekeeping financial institution to submit a copy of its Consolidated Report of Condition and Income (Call Report) to the City within 60 days after the end of each calendar quarter.

- Competitive bidding on investment transactions. Before the City invests in any secondary market funds, competitive bids shall be requested. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, bids will be requested from at least three financial institutions for instruments which meet the maturity requirement. If no specific maturity is required, a yield curve analysis will be conducted to determine which maturities would be most advantageous.
- Written confirmation and documentation of all financial transactions.
- Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures.
- Rapid deposit of funds received by the City (i.e., large checks.)
- Bonding of all investments officials.

C. Evaluation of Investment Officer Actions

Section 53600.3 of the Government Code identifies trustees as those persons authorized to make investment decisions on behalf of a local agency. As a trustee, the standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this plan.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

III. CAPITAL PRESERVATION AND RISK

A. Overview

The Treasurer adheres to the principle which maintains that over the long-term, prudent investment risk-taking may be rewarded with higher incremental returns. Consequently, while capital preservation (i.e., Safety) is regarded to be of paramount importance, the Treasurer regards prudent risk-taking as justifiable.

Some level of risk is inherent in any investment transaction. Losses may be incurred due to issuer default, market price changes, or technical cash flow complications such as investments in non-marketable certificates of deposit. Diversification of the City's portfolio by institution, investment vehicle, and maturity term is the primary tool available to the City in minimizing investment risk and capital losses by safeguarding the overall portfolio from any individual loss.

B. Portfolio Diversification Practices

The following sections summarize the City's major portfolio diversification practices and guidelines in determining:

- Authorized Dealers
- Investment Vehicles
- Investment Maturity

Portfolio limitations included in these guidelines are to be based on the portfolio composition and investment management plan policies in effect at the time of placement; the actual composition of the City's investments may vary over time from plan limitations due to overall portfolio changes from when the individual placement was made as well as changes in the City's investment management plan.

IV. ELIGIBLE FINANCIAL INSTITUTIONS

A. Authorized Dealers

- Investments shall be purchased only through well-established, financially sound institutions. The Finance Director shall maintain a list of financial institutions and broker/dealers approved for investment. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions will be given a copy of the City's Statement of Investment Policies, and a return cover letter which must be signed indicating that the Statement of Investment Policies has been read and understood.

Qualified financial institutions and broker/dealers must supply the Director of Finance with the following:

Financial Institutions

Current audited financial statements

Depository contracts, as appropriate

A copy of the latest FDIC call report or the latest FHLBB report, as appropriate.

Broker/Dealers

Current audited financial statements

Proof that brokerage firm is a member in good standing with a national securities exchange.

- Except for repurchase agreements, investments shall be awarded based on competitive bids. Documentation relating to investment quotes shall be maintained by the Finance Department for a period of one year.

B. INDIVIDUAL PLACEMENT OF DEPOSITS

Individual placement of negotiable, collateralized, and other time certificates of deposit with eligible financial institutions shall be based on the following practices and procedures:

- Deposits shall only be placed with financial institutions maintaining offices within the City of Berkeley.
- Unless collateralized by eligible securities as provided in Sections 53651 and 53652 of the Government Code, the maximum amount of Certificates of Deposit to be placed with any single institution is \$250,000.

V. INVESTMENT VEHICLES

The governing body of a local agency may invest funds designated for the payment of employee retiree health benefits in any form or type of investment deemed prudent by the governing pursuant to Section 53622. Some of the investment vehicles the City Council has authorized are the following:

1. **U.S. Treasury Instruments**

As authorized in Government Code Section 53601(b), this category includes bills, notes, bonds or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There are no portfolio limitations on the amount.

2. **Government Sponsored Enterprises**

As authorized in Government Code Section 53601(f), this category includes a wide variety of government securities. These securities include U. S. government-sponsored enterprise obligations, such as issues by the Federal National Mortgage Association (FNMA's), Federal Home Loan Bank (FHLB), Federal Farm Credit (FFCB), Student Loan Marketing Association (SLMA), etc. There are no portfolio limitations on the amount.

3. **Municipal Securities**

As authorized in Government Code Section 53601(a)(c)(d)(e), this category includes obligations of the City, the State of California, any of the other 49 states, and any local agency within the State of California, provided that:

- The securities are rated "A" or higher by at least one nationally recognized statistical rating organization.
- There are no limitations on the amount or period.

4. **Banker's Acceptances**

As provided in Government Code Section 53601(f)g, 40% of the City's portfolio may be invested in Banker's Acceptances, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank, although no more than 30% of the portfolio may be invested in Bankers' Acceptances with any one commercial bank. Additionally, the maturity period cannot exceed 180 days.

5. **Commercial Paper**

Commercial paper is a short-term, unsecured promissory note issued by financial and non-financial companies to raise short-term cash. As provided in Government Code Section 53601(h) up to 25% of the City's portfolio may be invested in "prime" commercial paper of the highest ranking or of the highest letter and number rating as provided by a nationally recognized statistical-rating organization (i.e., Moody's or Standard and Poor's or Fitch), with maturities not to exceed 270 days. The issuer must have total assets in excess of \$500 million, and have debt other than Commercial Paper rated "A" or higher by a nationally recognized statistical-rating organization.

6. **Negotiable Certificates of Deposit**

Negotiable certificates of deposit are a fixed deposit certificate that may be negotiated (traded) to a third party. The institution issuing the certificate promises to pay the holder the initial investment plus the interest rate stated on the certificate at maturity. As authorized in Government Code Section 53601(i), the City may invest 30% of its portfolio in negotiable certificates of deposit issued by commercial banks, thrifts and foreign banks.

7. Repurchase Agreements

Repurchase agreements are agreements between the local agency and seller for the local agency to purchase government securities to be resold back to the seller at a specific date and for a specific amount and are authorized by Government Code Section 53601(j). Although the legal maximum maturity on these investments is 360 days, repurchase agreements are generally short-term investments varying from one day to two weeks. Investments in repurchase agreements must be collateralized, and collateral required for repurchase agreements is limited to Treasury and Agency securities. In order to anticipate market changes and provide a level of security for all funds, the required collateralization level is 102% of market value of principal and accrued interest.

8. Reverse Repurchase Agreements

Reverse repurchase agreements are a sale of securities by the local agency with a simultaneous agreement for the local agency to repurchase the securities on or before a specified date. As provided in Government Code section 53635(j), reverse repurchase agreements require the prior approval of the City Council. Reverse repurchase agreements can only be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with the local agency. There are no portfolio limitations on the amount for these investments.

9. Medium-Term Corporate Notes

As authorized in Government Code Section 53601(k), local agencies may invest in corporate bonds and notes of industrial companies, banks, bank holding companies, insurance companies, thrifts and finance companies that are rated "A" or better by a nationally recognized rating service; and issued by corporations organized and operating in the United States. There are no portfolio limitations for these investments.

10. Shares of Beneficial interest Issued by Diversified Management Companies|

As authorized in Government Code Section 53601(l), local agencies are also authorized to invest in shares of beneficial interest issued by diversified management companies (i.e., mutual funds) as defined in Section 23701(m) of the Revenue and Taxation Code in an amount not to exceed 20% of the agency's portfolio

11. Financial Futures and Financial Option Contracts

As authorized in Government Code Section 53601.1, local agencies may invest in financial futures or option contracts in any of the above investment categories subject to the same overall portfolio limitations.

12. Time Certificates of Deposit

As authorized in Government Code Section 53635, time certificates of deposit are fixed term, non-negotiable investments which are required to be collateralized 110% by eligible pooled securities. The pool is administered by the State, and is composed of a wide variety of government securities, secured by first mortgages on improved residential property located in the State. There are no portfolio limits on the amount; however, the maturity period for this investment vehicle may not exceed five years unless approved by the Council.

13. Local Agency Investment Fund

As authorized in Government Code Section 16429.1, local agencies may invest in the Local Agency Investment Fund (LAIF), a pooled investment fund managed by the State Treasurer's Office. It operates like a money market fund, but is for the exclusive benefit of governmental entities within the State. The current maximum amount of money that may be invested is \$40 million.

14. Moneys Held by A Trustee or Fiscal Agent

As authorized in Government Code Section 53601(m), debt proceeds held by a trustee or fiscal agent, which are pledged to the payment or security of bonds or other indebtedness may be invested in accordance with the statutory provisions governing the issuance of those bonds or other agreement; or to the extent not inconsistent with statutory provisions, or if there are no specific statutory provisions, investments may be made in accordance with the ordinance, resolution, indenture, or agreement of the local agency for the issuance.

This category includes investment agreements approved in writing by insurance companies, supported by appropriate opinions of counsel with notice to Standard and Poor's.

15. Other Secured Notes, Bonds or Other Obligations

As authorized in Government Code Section 53601(n), notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities.

16. Mortgage Pass Through, Collateralized Mortgage Obligation, Mortgage-backed Bond, Equipment Lease-backed Certificate, Consumer Receivable Pass through Certificate, and Consumer Receivable-backed Bond

As authorized in Government Code Section 53601(o), securities in this category must be rated "AA" or its equivalent or better by a nationally recognized rating service. Purchases may not exceed 20% of the agency's portfolio.

In addition to the authorized investments above, the following investments may be made by Retiree Medical plan funds:

- Up to 100% of the retiree medical plans funds may be invested in equity mutual funds¹ or equity index funds², preferred stock³ and bond funds⁴.

¹Equity Mutual Fund – A financial intermediary that allows a group of investors to pool their money together with a predetermined investment objective. The mutual fund will have a fund manager who is responsible for investing the pooled money into specific securities. When you invest in a mutual fund, you are buying shares of the mutual fund and become a shareholder of the fund. They are very cost effective, as the fund can purchase securities with much lower trading costs than an individual investor. But the biggest advantage to mutual funds is diversification.

²Equity Index Fund – A mutual fund that attempts to copy the performance of a stock market index. The most common index fund tries to track the S&P 500 by purchasing all 500 stocks using the same percentages as the index. Index funds have lower fees because computers do most of the work.

There is no need to hire an expensive fund manager or research analysts. Index funds can have an expensive ratio as low as .18%, while actively managed funds can have an expense ratio over 3%. Over the long-term, the S&P 500 beats the returns of 80% of actively managed funds.

³Preferred Stock – A hybrid between common stock and a bond. Each share of preferred stock is normally paid a guaranteed dividend that receives first priority (i.e., the common stockholders cannot receive a dividend until the preferred dividend has been paid in full) and has priority over the common stockholders relative to the company’s assets in the event of bankruptcy.

⁴Bond Fund- A bond fund is a more efficient way of investing in bonds than buying individual securities. Bond mutual funds are just like stock mutual funds in that you put your money into a pool with other investors, and a professional invests that pool of money according to what he or she thinks the best opportunities are. They are very cost effective, as the fund can purchase securities with much lower trading costs than an individual investor. But the biggest advantage to mutual funds is diversification.

Some of the investment vehicles that are Unallowable Investment Vehicles and Restrictions:

The Director of Finance/City Treasurer is not authorized to invest in any of the following investment vehicles:

Financial futures; option contracts, floaters, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest income if held to maturity may not be purchased. Exclusion of these vehicles is consistent with the City's overall objective of achieving reasonable yields on public funds while minimizing risk and capital losses. Although the potential exists for greater interest yields with these vehicles, it is believed that the potential level of risk exceeds their benefits except in very limited circumstances.

See Appendix A for the Investment Portfolio/Diversification Requirements, which lists the maximum amounts that may be invested in the various investment types and the maximum authorized maturities.

In accordance with Government Code Sections 53620-53622, the assets of the City of Berkeley Retiree Medical Plan Trust may be invested in any form or type of investment deemed prudent by the City Council. The maximum maturity for Retiree Medical Plan Trust funds is 30 years.

VI. CASH MANAGEMENT

To achieve a reasonable return on public funds, the following cash management practices will be followed:

- Maintain maximum investment of all City funds not required to meet immediate cash flow needs.
- Maximize the City's cash flow through the immediate deposit of all cash receipts, use of direct deposits and wire transfers when available, and appropriate timing of payments to vendors.

- Maximize the cash flow information available through the use of only one operating bank account.

VII. EVALUATION OF INVESTMENT PERFORMANCE

An actuarial study commissioned by the City many years ago determined that, in addition to City Contributions, an average rate of return of 7% on miscellaneous employees' retiree medical trust fund assets invested must be achieved to fund the retiree health benefit at the desired 70% level. Primarily as a result of the Federal Reserve Board's decision to keep short-term rates near zero for the last 10 years, the average rate currently earned is significantly below that 7% level.

VIII. INVESTMENT REPORTING

Consistent with Sections 16481.2 and 53646 of the Government Code, the Department of Finance shall submit an annual Statement of Investment Policies to the Council for consideration at a public meeting.

In addition to the submittal of an annual Statement of Investment Policies, the Department of Finance shall provide the Council with a quarterly and annual investment report providing the following information for each investment or security:

- Issuer or broker/dealer (financial institution)
- Type of investment
- Certificate or other reference number if applicable
- Percentage yield on an annualized basis
- Purchase date
- Maturity date for each investment and the weighted average maturity of all the investments within the portfolio
- Current book value
- Current market value
- Total cost and market value, including source of this valuation, of the City's portfolio
- A description of the compliance with the Statement of Investment Policies
- An evaluation of investment operations for the preceding year. This shall include an evaluation of how well the objectives have been achieved: the accuracy of forecasting expenditures and revenues, as well as a comparison of the average returns on the investment portfolio with that of the Local Agency Investment Fund (LAIF).
- Report of investments. The Director of Finance shall prepare a report that provides a clear status of the current investment portfolio and transactions. The report will be prepared in a manner which allows the City Manager and Council to ascertain whether investment activities during the reporting period have conformed to the investment policies.
- Summary of key or unusual events, including but not limited to:
 - Any exceptions to policies;
 - Adherence to or deviations from social investment goals;
 - Purchases of Treasury securities, other than in repurchase agreements with maturities of seven days or less;
 - Purchases of securities that exceed maturity limits;

- Sales of securities more than three months before maturity;
- Changes in investment procedures, dealers, staff, etc.
- Investment performance;
 - A glossary, defining all funds or accounts referred to elsewhere in the report; and
 - A listing of banks, securities dealers and custodians that the City has had investment transactions during the period.
 - A summary of the certifications for deposits of City funds.
 - Other information regarding the City's portfolio as appropriate

The Quarterly Investment Report shall include all investments as of the end of the quarter from all funds held in the City's portfolio, including funds held and invested by trustees; and shall be issued within 30 days after the end of the quarterly reporting period to the City Manager, and the City Council; the annual report shall be issued within 90 days after the end of the fiscal year to the City Manager, and the City Council.

APPENDIX A

INVESTMENT PORTFOLIO Diversification Requirements

<u>Investment Instrument</u>	<u>Maximum Amount of Portfolio</u>	<u>Maximum Length to Maturity</u>
Bank / Time Deposit Accounts	100%	5 Years
Money Market Deposit Accounts	100%	N/A
Repurchase Agreements	10%	1 Year
Reverse Repurchase Agreements	10%	7 Days
Bankers Acceptances	40%	7 Days
U.S. Government Securities (Treasury Bills, Notes, and Bonds)	100%	30 Years
U.S. Government Agency Securities by Agency	100%	30 Years
Certificates of Deposit (Negotiable)	30%	30 Years
Municipal Bonds	100%	30 Years
Commercial Paper	25%	180 Days
Medium Term Notes	30%	30 Years

In addition to the investments above, the following investments may be made by Retiree Medical plan funds:

- Up to 25% of the retiree medical plans funds may be invested in equity mutual funds¹ or equity index funds², and preferred stock³.

¹Equity Mutual Fund – A financial intermediary that allows a group of investors to pool their money together with a predetermined investment objective. The mutual fund will have a fund manager who is responsible for investing the pooled money into specific securities.

When you invest in a mutual fund, you are buying shares of the mutual fund and become a shareholder of the fund. They are very cost effective, as the fund can purchase securities with much lower trading costs than an individual investor. But the biggest advantage to mutual funds is diversification.

²Equity Index Fund – A mutual fund that attempts to copy the performance of a stock market index. The most common index fund tries to track the S&P 500 by purchasing all 500 stocks using the same percentages as the index. Index funds have lower fees because computers do most of the work. There is no need to hire an expensive fund manager or research analysts. Index funds can have an expense ratio as low as .18%, while actively managed funds can have an expense ratio over 3%. Over the long-term, the S&P 500 beats the returns of 80% of actively managed funds.

³Preferred Stock – A hybrid between common stock and a bond. Each share of preferred stock is normally paid a guaranteed dividend that receives first priority (i.e., the common stockholders cannot receive a dividend until the preferred dividend has been paid in full) and has priority over the common stockholders relative to the company's assets in the event of bankruptcy.

FINANCIAL SUMMARIES

This section provides charts and tables of the City's budget. These summaries show the revenues and expenditures associated with the City's different funding sources, such as the General Fund, Special Revenue Funds, Grants, Capital Funds, Debt Service, Enterprise Funds, Internal Service Funds and Agency Funds. The charts illustrate revenues by funding source and expenditures by department.

SUMMARY OF BUDGET BY FUNDING SOURCE

SUMMARY OF FY 2023 & FY 2024 ADOPTED BUDGET BY FUNDING SOURCE								
Fund Description	Adopted FY 2022		Est. FY 2022 Actual		Adopted FY 2023		Adopted FY 2024	
	Revenue(b)	Expenses	Revenue(b)	Expenses	Revenue ^(b)	Expenses	Revenue ^(b)	Expenses
General Fund Discretionary ^(a)	236,066,707	234,754,491	284,346,432	242,721,316	258,650,444	280,671,294	261,726,315	273,948,362
Measure U1	5,120,350	6,446,014	6,094,045	5,755,014	4,900,000	6,184,542	4,900,000	5,916,963
Climate Equity Action	-	-	600,000	-	-	-	-	-
GF - Stabilization Reserves	1,375,000	-	3,636,005	-	3,025,000	-	2,200,000	-
GF - Catastrophic Reserves	1,125,000	-	2,974,913	2,700,000	2,475,000	-	1,800,000	-
Special Revenue Funds								
Library - Tax ^(a)	21,776,603	25,037,858	22,582,301	18,276,695	23,909,768	24,538,247	24,386,523	24,802,718
Emergency Disabled Services Measure E)	1,451,853	1,451,853	1,497,100	1,502,251	1,590,735	1,590,735	1,622,550	1,622,550
Paramedic Tax ^(a)	4,088,559	4,916,665	4,196,559	5,411,267	6,934,876	5,218,195	4,391,797	5,268,022
Playground Camp ^(a)	12,803,855	13,850,034	13,451,593	23,087,389	3,341,425	3,596,951	3,412,972	3,669,222
Gas/Sales Tax Street Improvement Funds ^(a)	12,738,525	15,711,594	14,037,646	15,284,123	17,761,587	23,281,278	16,906,189	19,132,220
CDBG ^(a)	4,437,743	4,576,057	2,124,295	3,570,555	4,437,743	4,882,923	4,437,743	4,923,840
Rental Housing Safety ^(a)	1,783,780	2,230,164	2,232,956	1,485,693	1,783,780	1,902,671	1,783,780	2,044,695
Parks Tax	15,366,468	14,402,630	16,092,586	15,625,785	16,863,663	16,247,510	17,199,496	16,294,912
Measure GG - Fire Preparation Tax	5,605,637	4,897,270	5,437,121	5,232,786	5,823,036	5,276,233	5,938,576	5,310,949
Street Light Assessment District ^(a)	2,240,939	2,671,488	2,050,426	1,738,016	2,240,939	3,312,730	2,240,939	3,301,154
PERS Savings	2,151,632	-	4,103,810	35,466	2,151,632	-	2,151,632	-
Health State Aid Realignment ^(a)	3,703,018	3,806,205	4,050,123	3,179,608	3,703,018	3,961,045	3,703,018	4,003,539
Mental Health State Aid Realignment ^(a)	2,710,000	3,182,564	2,928,252	2,609,844	2,710,000	4,061,702	2,710,000	4,178,676
Measure FF - Public Safety	12,750,000	12,750,000	12,737,829	3,876,876	8,604,000	8,160,000	8,776,080	8,323,000
Other Special Revenue Funds ^(a)	4,992,327	7,989,848	31,525,126	8,519,921	5,198,141	12,843,179	5,195,095	12,534,329
Grant Funds ^{(a) (c)}	59,521,981	81,244,159	112,733,858	76,627,721	25,882,939	72,951,762	25,899,755	56,469,000

Fund Description	Adopted FY 2022		Est. FY 2022 Actual		Adopted FY 2023		Adopted FY 2024	
	Revenue(b)	Expenses	Revenue(b)	Expenses	Revenue ^(b)	Expenses	Revenue ^(b)	Expenses
Capital Funds								
Capital Improvement Program ^(a)	4,950,905	8,393,901	5,011,030	7,039,635	19,000,905	24,012,302	18,370,905	22,264,774
FUND\$ Replacement ^(a)	-	3,571,725	-	2,078,541	-	3,221,742	-	3,249,509
PEG Access Facilities ^(a)	-	100,000	134,544	-	-	100,000	-	100,000
Measure M - Street & Watershed Improvement	-	-	1,447	(84,981)	-	-	-	-
Measure G - Public Safety Building	-	-	10	-	-	-	-	-
Street Improvement	-	-	135	-	-	-	-	-
Park Acquisition Development	192	-	1,256	176	192	-	192	-
Measure T1 - Infrastructure & Facilities ^(b)	-	12,816,854	83,627	7,184,540	-	17,858,315	-	18,527,703
Measure O - Affordable Housing ^(b)	-	6,445,567	40,496,248	10,116,461	-	6,445,567	-	6,445,567
Debt Service Funds ^(a)	7,537,556	9,804,404	14,549,520	11,363,448	7,537,556	9,804,404	7,537,556	9,804,404
Enterprise Funds								
Zero Waste ^(a)	46,767,263	48,199,561	48,461,438	47,574,806	46,767,263	56,177,209	46,767,263	59,250,474
Marina Operation ^(a)	7,163,572	7,308,402	7,192,576	8,179,967	7,514,876	8,499,369	6,650,211	8,086,766
Sewer ^(a)	24,986,977	30,227,353	23,709,761	23,906,136	24,986,977	35,226,521	24,986,977	32,765,773
Private Sewer Lateral	240,501	193,658	90,501	46,922	240,501	172,628	240,501	183,821
Clean Storm Water ^(a)	3,991,967	4,899,517	4,349,728	2,467,755	4,419,311	6,123,689	4,551,890	5,858,692
Permit Service Center ^(a)	14,997,428	20,692,553	29,317,397	18,430,729	20,746,600	21,981,180	19,709,270	22,360,858
Off Street Parking ^(a)	6,165,769	6,551,006	7,392,530	6,103,447	4,124,985	6,790,627	5,091,895	6,939,757
Parking Meter ^(a)	8,974,259	10,006,409	11,818,727	9,934,791	12,052,490	10,557,178	9,712,789	10,398,188
Building Management (1947 Center St.) ^(a)	2,969,817	3,434,440	2,842,071	2,970,751	2,969,817	3,832,731	2,969,817	3,889,708
Internal Service Funds								
Equipment Replacement ^(a)	4,754,926	5,906,134	9,358,955	10,680,073	4,754,926	6,676,989	4,754,926	6,473,770
Equipment Maintenance ^(a)	6,461,013	9,812,320	8,064,650	8,365,091	6,461,013	9,573,258	6,461,013	9,527,237
Building Maintenance ^(a)	3,821,039	4,463,546	3,896,097	3,566,426	3,821,039	4,798,308	3,821,039	4,815,297
Central Services ^(a)	225,000	385,483	302,068	311,849	225,000	391,386	225,000	394,486
Computer Replacement Fund	-	-	-	(4)	-	-	-	-

Fund Description	Adopted FY 2022		Est. FY 2022 Actual		Adopted FY 2023		Adopted FY 2024	
	Revenue(b)	Expenses	Revenue(b)	Expenses	Revenue ^(b)	Expenses	Revenue ^(b)	Expenses
Workers Compensation	9,046,720	6,593,924	11,775,049	6,779,966	9,458,401	6,440,039	9,569,358	6,469,976
IT Cost Allocation ^(a)	14,806,185	14,673,515	14,855,820	12,485,844	14,806,185	17,498,246	14,806,185	17,699,114
Successor Agency	-	57,120	961,392	57,040	-	57,120	-	57,120
Agency Funds								
Sustainable Energy -2	-	-	35,299	36,384	-	-	-	-
Thousand Oaks Undergrounding	-	98,448	109,915	101,106	-	98,448	-	98,448
Measure H - School Tax	500,000	500,000	275,958	232,825	500,000	500,000	500,000	500,000
CFD No. 1 Disaster Fire Protection	2,048,940	2,048,940	2,048,940	407,368	2,048,940	1,362,705	2,048,940	573,905
CFD No. 1 Mello-Roos Berkeley Tourism Business Improvement District	-	2,823,820	29,818	2,824,159	-	2,824,802	-	2,825,468
Elmwood Business Improvement District	181,125	181,125	485,557	333,119	416,667	416,667	433,333	433,333
Solano Avenue Business Improvement District	30,000	30,000	31,130	30,000	30,000	30,000	30,000	30,000
Telegraph Business Improvement District	25,000	25,000	32,290	30,014	25,000	25,000	25,000	25,000
North Shattuck Business Improvement District	523,371	523,371	518,752	761,808	583,315	583,315	583,315	583,315
Downtown Berkeley Property & Improvement District	210,363	210,363	102,539	-	210,363	210,363	210,363	210,363
Rent Stabilization Board ^{(a) (d)}	1,313,214	1,313,214	1,322,435	1,283,165	1,383,139	1,383,139	1,383,139	1,383,139
Revenue & Expenditure Totals:	595,202,825	673,601,287	810,585,733	652,414,075	608,069,933	754,176,626	603,820,083	725,972,990

Notes:
(a) Revenues do not reflect use of fund balances which are added to balance revenues with appropriations.
(b) Revenues for Bond Projects collected in prior fiscal years.
(c) FY 2023 & FY 2024 grant revenues and expenditures will be adjusted to match once award amounts are known.
(d) Library and Rent Board figures for FY 2023 are the amounts approved by the Board of Library Trustees and the Rent Stabilization Board. FY 2024 numbers are unofficial and have not been approved yet by the Board of Library Trustees or the Rent Stabilization Board.

SUMMARY OF EXPENDITURES BY DEPARTMENTS – ALL FUNDS

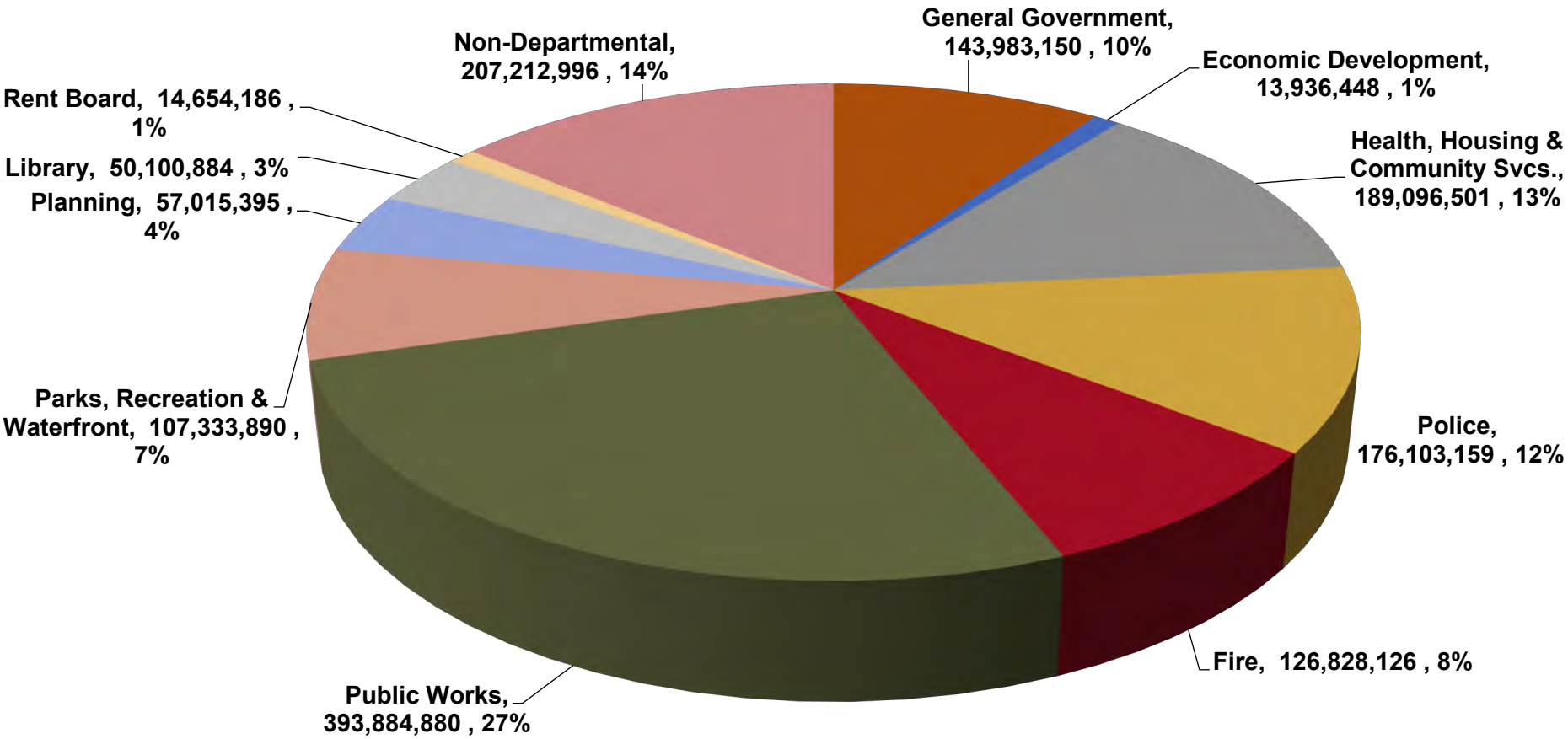
SUMMARY OF EXPENDITURES BY DEPARTMENTS – ALL FUNDS						
	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est Actual	FY 2023 Adopted	FY 2024 Adopted
Mayor & Council	2,525,920	2,708,844	3,096,559	3,334,707	4,785,155	4,835,380
Auditor	2,527,125	2,526,081	2,805,883	2,688,657	3,101,376	3,124,862
Police Review Commission ^(a)	775,701	744,950				
Office of the Director of Police Accountability	-	-	1,114,235	815,258	1,422,432	1,374,911
City Manager	8,104,984	8,432,572	8,770,554	9,733,300	11,732,034	11,763,275
Office of Economic Development	8,951,152	4,966,525	5,082,163	8,668,166	7,555,553	6,380,895
Information Technology	15,495,905	16,552,132	20,423,888	16,448,551	22,287,156	22,500,474
City Attorney	4,555,976	6,214,367	7,278,096	6,200,455	8,562,688	8,553,021
City Clerk	2,069,740	3,194,204	2,901,739	2,402,842	3,501,282	3,190,547
Finance	8,362,334	8,146,012	9,431,102	8,722,333	11,444,157	11,669,774
Human Resources	3,924,687	4,078,091	4,438,053	3,711,625	5,009,883	5,124,741
Health, Housing & Community Services	60,608,060	81,811,330	84,514,926	91,734,085	95,182,974	93,913,527
Police	79,762,713	79,395,632	77,807,443	82,704,040	87,444,720	88,658,439
Fire	48,213,947	49,891,701	60,351,430	58,014,192	63,377,259	63,450,868
Public Works	140,021,855	125,907,423	147,438,656	140,757,036	203,608,562	190,276,318
Parks, Recreation & Waterfront	43,593,445	60,795,051	52,979,556	63,569,334	53,378,913	53,954,977
Planning	21,595,429	21,687,691	25,252,729	22,485,141	29,022,035	27,993,361
Library	18,865,464	20,255,244	25,566,341	18,476,577	24,918,604	25,182,279
Rent Board	5,755,222	5,517,190	6,825,535	5,803,127	7,247,755	7,406,431
Non-Departmental ^(b)	60,402,889	95,581,042	127,522,399	106,147,842	110,594,086	96,618,910
Total All Funds	536,112,550	598,406,081	673,601,287	652,417,270	754,176,624	725,972,990

(a) Police Review Commission has become the Office of the Director of Police Accountability in FY 2022

(b) Non-Departmental consists of operational overhead costs such as Property Insurance and School Board Salaries, General Fund allocation for Community Based Organizations, Workers' Compensation costs, Debt Service, and Interfund Transfers.

FY 2023 AND FY 2024 ALL FUNDS EXPENDITURES BY DEPARTMENT

**All Funds Expenditures by Department
 FY 2023 & FY 2024 Biennial Budget
 \$1,480,149,613 (Two-Year Total)**

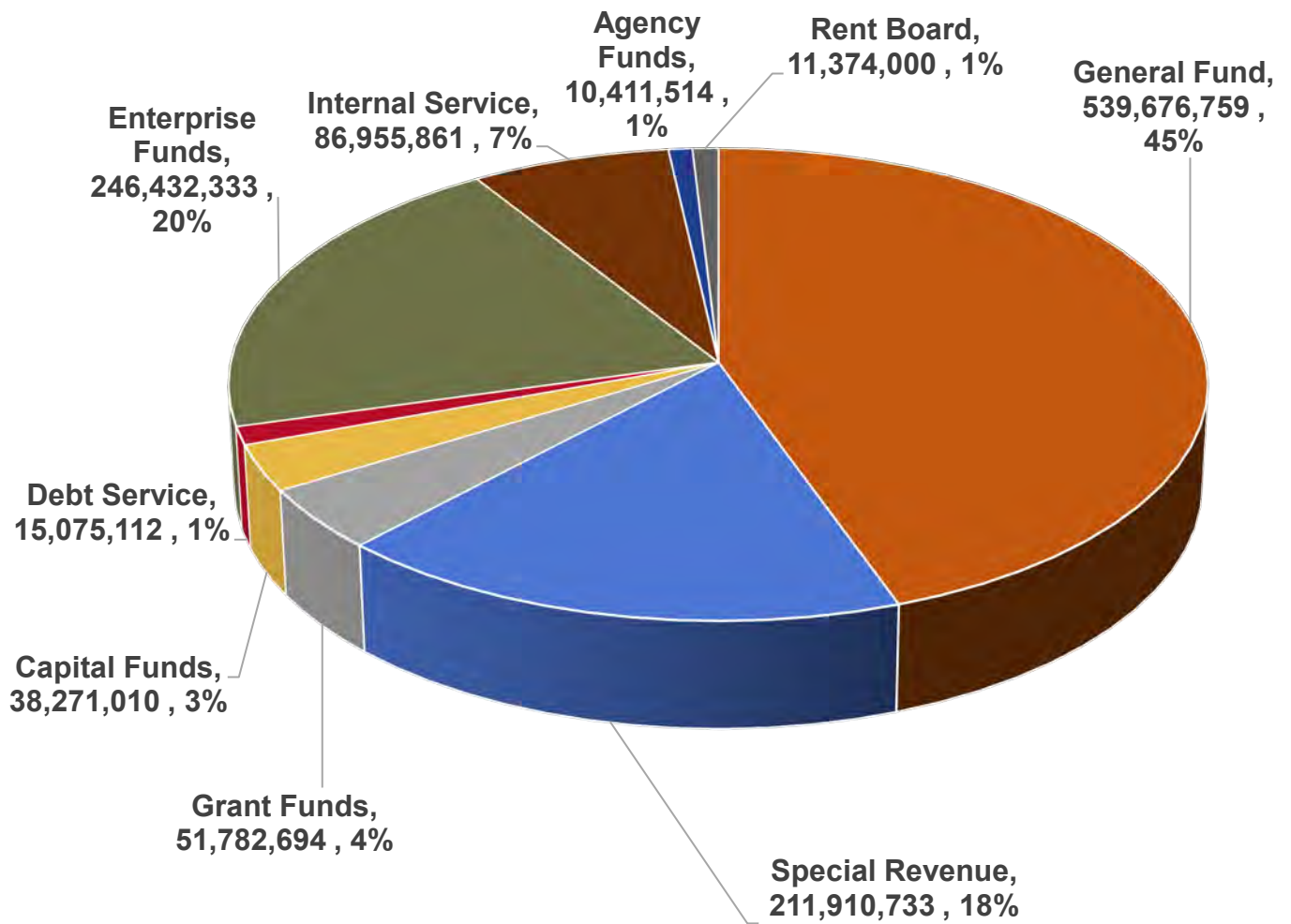


REVENUE BY FUNDING SOURCE

REVENUE BY FUNDING SOURCE					
Fund Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Est Actual	FY 2023 Adopted	FY 2024 Adopted
General Fund Discretionary	223,364,309	232,028,202	284,346,432	258,650,444	261,726,315
Measure U1	-	13,862,628	6,094,045	4,900,000	4,900,000
Climate Equity Action	-	-	600,000	-	-
GF - Stabilization Reserves	640,000	1,836,309	3,636,005	3,025,000	2,200,000
GF - Catastrophic Reserves	520,000	1,502,434	2,974,913	2,475,000	1,800,000
Special Revenue Funds					
Library - Tax	20,487,115	20,715,378	22,582,301	23,909,768	24,386,523
Emergency Disabled Services (Measure E)	1,318,223	1,377,597	1,497,100	1,590,735	1,622,550
Paramedic Tax	3,843,417	3,923,815	4,196,559	6,934,876	4,391,797
Playground Camp	4,106,241	15,175,169	13,451,593	3,341,425	3,412,972
Gas/Sales Tax Street Improvement Funds	13,694,414	13,447,330	14,037,646	17,761,587	16,906,189
CDBG	3,362,558	2,943,199	2,124,295	4,437,743	4,437,743
Rental Housing Safety	1,604,987	2,029,688	2,232,956	1,783,780	1,783,780
Parks Tax	14,025,567	14,734,180	16,092,586	16,863,663	17,199,496
Measure GG - Fire Preparation Tax	5,282,327	5,293,612	5,437,121	5,823,036	5,938,576
Street Light Assessment District	1,933,921	1,956,354	2,050,426	2,240,939	2,240,939
PERS Savings	1,398,416	1,929,325	4,103,810	2,151,632	2,151,632
Health State Aid Realignment	3,751,780	3,968,636	4,050,123	3,703,018	3,703,018
Mental Health State Aid Realignment	2,882,517	2,694,425	2,928,252	2,710,000	2,710,000
Measure FF - Public Safety	-	-	12,737,829	8,604,000	8,776,080
Other Special Revenue Funds	12,811,188	11,397,442	31,525,126	5,198,141	5,195,095
Grant Funds	28,167,406	38,845,101	112,733,858	25,882,939	25,899,755
Capital Funds					
Capital Improvement	9,617,036	3,896,923	5,011,030	19,000,905	18,370,905
Phone System Replacement	198,000	160,000	449,408	449,408	449,408
FUND\$ Replacement	1,929,000	-	-	-	-
PEG Access Facilities	165,430	143,810	134,544	-	-
Measure M - Street & Watershed Improvement	26,018	277	1,447	-	-
Measure G - Public Safety Building	79	2	10	-	-
Street Improvement	1,125	22	135	-	-
Park Acquisition Development	1,620	1,210	1,256	192	192
Income Housing Fund WBIP	19,493	86,050	-	-	-
Measure T1 - Infrastructure & Facilities	693,611	47,814,670	83,627	-	-
Measure O - Affordable Housing	38,096,220	8,945	40,496,248	-	-
Debt Service Funds	11,535,535	19,942,942	14,549,520	7,537,556	7,537,556

Fund Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Est Actual	FY 2023 Adopted	FY 2024 Adopted
Continuation of Revenue by Funding Source					
Enterprise Funds					
Zero Waste	48,385,294	44,817,257	48,461,438	46,767,263	46,767,263
Marina Operation	6,131,825	8,376,115	7,192,576	7,514,876	6,650,211
Sewer	23,881,952	26,449,634	23,709,761	24,986,977	24,986,977
Private Sewer Lateral	90,501	90,501	90,501	240,501	240,501
Clean Storm Water	4,346,423	4,479,340	4,349,728	4,419,311	4,551,890
Permit Service Center	20,491,391	20,555,517	29,317,397	20,746,600	19,709,270
Unified Program - Toxics	864,272	893,398	876,505	964,450	964,450
Off Street Parking	3,732,045	3,525,994	7,392,530	4,124,985	5,091,895
Parking Meter	7,350,026	4,254,749	11,818,727	12,052,490	9,712,789
Building Management (1947 Center St.)	2,811,762	2,860,073	2,842,071	2,969,817	2,969,817
Internal Service Funds					
Equipment Replacement	6,966,532	6,927,100	9,358,955	4,754,926	4,754,926
Equipment Maintenance	7,732,270	6,819,248	8,064,650	6,461,013	6,461,013
Building Maintenance	3,800,289	3,922,874	3,896,097	3,821,039	3,821,039
Central Services	289,508	303,017	302,068	225,000	225,000
Computer Replacement Fund					
Workers Compensation	11,780,464	11,990,136	11,775,049	9,458,401	9,569,358
Public Liability	2,895,888	3,131,417	3,895,888	3,895,888	3,895,888
IT Cost Allocation	14,632,566	12,830,802	14,855,820	14,806,185	14,806,185
Successor Agency	2,736,478	1,047,956	961,392	-	-
Agency Funds					
Sustainable Energy -2	23,293	23,293	35,299	-	-
Thousand Oaks Undergrounding	108,854	114,244	109,915	-	-
Measure H - School Tax	235,532	179,635	275,958	500,000	500,000
CFD No. 1 Disaster Fire Protection	665,100	1,877,759	2,048,940	2,048,940	2,048,940
CFD No. 1 Mello-Roos	1,012,325	1,012,986	29,818	-	-
Berkeley Tourism Business Improvement District	596,343	196,807	485,557	416,667	433,333
Elmwood Business Improvement District	31,143	24,551	31,130	30,000	30,000
Solano Avenue Business Improvement District	29,434	23,269	32,290	25,000	25,000
Telegraph Business Improvement District	492,060	491,752	518,752	583,315	583,315
North Shattuck Business Improvement District	183,758	(108,504)	102,539	210,363	210,363
Downtown Berkeley Property & Improvement District	1,293,693	1,218,937	1,322,435	1,383,139	1,383,139
Rent Stabilization Board	5,395,075	4,658,580	6,271,746	5,687,000	5,687,000
Revenue Totals:	84,463,654	634,704,113	810,585,733	608,069,933	603,820,083

**Revenue by Funding Source
FY 2023 & FY 2024
Biennial Budget
\$1,211,890,016 (Two-Year Total)
(Excludes the Use of Fund Balance)**



FUND BALANCE PROJECTION BY FUNDING SOURCE

FUND BALANCE PROJECTION BY FUNDING SOURCE										
Fund Description	Balance	Est FY 2022 Actual		Estimated Balance	Adopted FY 2023		Projected Balance	Adopted FY 2024		Projected Balance
	7/1/21	Revenue	Expenses	7/1/22	Revenue	Expenses	7/1/23	Revenue	Expenses	7/1/24
General Fund	36,838,797	284,346,432	242,721,316	78,463,913	258,650,444	280,671,294	56,443,064	261,726,315	273,948,362	44,221,016
Discretionary										
Measure U1	11,189,666	6,094,045	5,755,014	11,528,697	4,900,000	6,184,542	10,244,155	4,900,000	5,916,963	9,227,192
Climate Equity Action	-	600,000	-	600,000	-	-	600,000	-	-	-
										600,000
GF - Stabilization Reserves	15,599,231	3,636,005	-	19,235,236	3,025,000	-	22,260,236	2,200,000	-	24,460,236
GF - Catastrophic Reserves	14,144,915	2,974,913	2,700,000	14,419,828	2,475,000	-	16,894,828	1,800,000	-	18,694,828
Special Revenue Funds										
Library - Tax	13,187,685	22,582,301	18,276,695	17,493,291	23,909,768	24,538,247	16,864,813	24,386,523	24,802,718	16,448,618
Emergency Disabled Services (Measure E)	201,688	1,497,100	1,502,251	196,538	1,590,735	1,590,735	196,538	1,622,550	1,622,550	-
										196,538
Paramedic Tax	-1,512,106	4,196,559	5,411,267	-2,726,814	6,934,876	5,218,195	-1,010,133	4,391,797	5,268,022	-1,886,359
Playground Camp	13,648,383	13,451,593	23,087,389	4,012,587	3,341,425	3,596,951	3,757,061	3,412,972	3,669,222	3,500,811
Gas/Sales Tax Street Improvement Funds	21,270,242	14,037,646	15,284,123	20,023,765	17,761,587	23,281,278	14,504,074	16,906,189	19,132,220	12,278,042
CDBG	-1,475,655	2,124,295	3,570,555	-2,921,915	4,437,743	4,882,923	-3,367,095	4,437,743	4,923,840	-3,853,192
Rental Housing Safety	2,159,671	2,232,956	1,485,693	2,906,934	1,783,780	1,902,671	2,788,043	1,783,780	2,044,695	2,527,128
Parks Tax	4,394,403	16,092,586	15,625,785	4,861,204	16,863,663	16,247,510	5,477,357	17,199,496	16,294,912	6,381,941
Measure GG - Fire Preparation Tax	2,799,525	5,437,121	5,232,786	3,003,859	5,823,036	5,276,233	3,550,662	5,938,576	5,310,949	4,178,289
Street Light Assessment District	2,069,532	2,050,426	1,738,016	2,381,942	2,240,939	3,312,730	1,310,151	2,240,939	3,301,154	249,936
PERS Savings	12,494,757	4,103,810	35,466	16,563,101	2,151,632	-	18,714,733	2,151,632	-	20,866,365
Health State Aid Realignment	3,708,922	4,050,123	3,179,608	4,579,437	3,703,018	3,961,045	4,321,410	3,703,018	4,003,539	4,020,889
Mental Health State Aid Realignment	5,741,290	2,928,252	2,609,844	6,059,697	2,710,000	4,061,702	4,707,995	2,710,000	4,178,676	3,239,319
Measure FF - Public Safety	-	12,737,829	3,876,876	8,860,954	8,604,000	8,160,000	9,304,954	8,776,080	8,323,000	9,758,034
Other Special Revenue Funds	29,362,769	31,525,126	8,519,921	52,367,975	5,198,141	12,843,179	44,722,936	5,195,095	12,534,329	37,383,702
Grant Funds	10,290,407	112,733,858	76,627,721	46,396,545	25,882,939	72,951,762	-672,279	25,899,755	56,469,000	-31,241,524
Capital Funds										
CIP Fund	10,194,522	5,011,030	7,039,635	8,165,917	19,000,905	24,012,302	3,154,520	18,370,905	22,264,774	-739,349

Fund Description	Balance	Est FY 2022 Actual		Estimated	Adopted FY 2023		Projected	Adopted FY 2024		Projected
	7/1/21	Revenue	Expenses	Balance 7/1/22	Revenue	Expenses	Balance 7/1/23	Revenue	Expenses	Balance 7/1/24
Continuation – Available Cash Balance by Funding Source										
Phone System Replacement	542,179	449,408	124,218	867,369	449,408	449,408	867,369	449,408	449,408	867,369
FUND\$ Replacement	4,028,518	-	2,078,541	1,949,977	-	3,221,742	-1,271,765	-	3,249,509	-4,521,274
PEG Access Facilities	2,101,844	134,544	-	2,236,388	-	100,000	2,136,388	-	100,000	2,036,388
Measure G - Fire	58	-	-	58	-	-	58	-	-	58
Seismic Bond										
Measure M - Street & Watershed Improvement		-	-84,981	925,634	-	-	925,634	-	-	925,634
Measure G - Public Safety Building		-	-	6,115	-	-	6,115	-	-	6,115
Street Improvement	87,005	135	-	87,140	-	-	87,140	-	-	87,140
Park Acquisition	34,152	1,256	176	35,232	192	-	35,424	192	-	35,616
Development										
Income Housing Fund	-11,386	-	-	-11,386	-	-	-11,386	-	-	-11,386
WBIP										
Measure T1 - Infrastructure & Facilities	44,205,758	83,627	7,184,540	37,104,844	-	17,858,315	19,246,529	-	18,527,703	718,826
Measure O - Affordable Housing	22,674,510	40,496,248	10,116,461	53,054,297	-	6,445,567	46,608,730	-	6,445,567	40,163,163
Debt Service Funds	15,740,034	14,549,520	11,363,448	18,926,106	7,537,556	9,804,404	16,659,258	7,537,556	9,804,404	14,392,410
Enterprise Funds										
Zero Waste	25,068,985	48,461,438	47,574,806	25,955,617	46,767,263	56,177,209	16,545,671	46,767,263	59,250,474	4,062,461
Marina Operation	5,461,419	7,192,576	8,179,967	4,474,029	7,514,876	8,499,369	3,489,535	6,650,211	8,086,766	2,052,980
Sewer	34,858,702	23,709,761	23,906,136	34,662,327	24,986,977	35,226,521	24,422,783	24,986,977	32,765,773	16,643,986
Private Sewer Lateral	-459,192	90,501	46,922	-415,613	240,501	172,628	-347,740	240,501	183,821	-291,060
Clean Storm Water	7,545,023	4,349,728	2,467,755	9,426,996	4,419,311	6,123,689	7,722,617	4,551,890	5,858,692	6,415,815
Permit Service Center	18,721,458	29,317,397	18,430,729	29,608,126	20,746,600	21,981,180	28,373,547	19,709,270	22,360,858	25,721,959
Unified Program - Toxics	1,428,923	876,505	665,430	1,639,997	964,450	877,919	1,726,529	964,450	885,692	1,805,287
Off Street Parking	-2,357,645	7,392,530	6,103,447	-1,068,562	4,124,985	6,790,627	-3,734,204	5,091,895	6,939,757	-5,582,066
Off Street Parking Rate Stabilization				1,915,050			1,915,050			1,915,050
Parking Meter	1,852,652	11,818,727	9,934,791	3,736,588	12,052,490	10,557,178	5,231,900	9,712,789	10,398,188	4,546,501
Building Management (1947 Center St.)	-180,094	2,842,071	2,970,751	-308,774	2,969,817	3,832,731	-1,171,687	2,969,817	3,889,708	-2,091,578
Internal Service Funds										
Equipment Replacement	14,809,959	9,358,955	10,680,073	13,488,841	4,754,926	6,676,989	11,566,778	4,754,926	6,473,770	9,847,934
Equipment Maintenance	-17,859	8,064,650	8,365,091	-318,300	6,461,013	9,573,258	-3,430,546	6,461,013	9,527,237	-6,496,770
Building Maintenance	3,018,434	3,896,097	3,566,426	3,348,105	3,821,039	4,798,308	2,370,836	3,821,039	4,815,297	1,376,578
Central Services	170,164	302,068	311,849	160,383	225,000	391,386	-6,003	225,000	394,486	-175,489

Fund Description	Balance	Est FY 2022 Actual		Estimated	Adopted FY 2023		Projected	Adopted FY 2024		Projected
	7/1/21	Revenue	Expenses	Balance	Revenue	Expenses	Balance	Revenue	Expenses	Balance
Continuation – Available Cash Balance by Funding Source										
Computer Replacement Fund	643	-	-4	647	-	-	647	-	-	647
Workers Compensation	47,304,214	11,775,049	6,779,966	52,299,297	9,458,401	6,440,039	55,317,659	9,569,358	6,469,976	58,417,041
Public Liability	353,225	3,895,888	3,552,449	696,664	3,895,888	3,797,298	795,254	3,895,888	3,811,342	879,800
IT Cost Allocation	5,263,546	14,855,820	12,485,844	7,633,522	14,806,185	17,498,246	4,941,461	14,806,185	17,699,114	2,048,532
Successor Agency	3,779,146	961,392	57,040	4,683,498	-	57,120	4,626,378	-	57,120	4,569,258
Agency Funds										
District 47 - Miller	-258,262	-	-	-258,262	-	-	-258,262	-	-	-258,262
District 47 - Undergrounding	382,574	-	-	382,574	-	-	382,574	-	-	382,574
Sustainable Energy -2	8,757	35,299	36,384	7,672	-	-	7,672	-	-	7,672
Thousand Oaks Height Under	1,405	-	-	1,405	-	-	1,405	-	-	1,405
Thousand Oaks Undergrounding	287,779	109,915	101,106	296,588	-	98,448	198,140	-	98,448	99,692
Measure H - School Tax	-	275,958	232,825	43,133	500,000	500,000	43,133	500,000	500,000	43,133
CFD No. 1 Disaster Fire Protection	1,518,610	2,048,940	407,368	3,160,182	2,048,940	1,362,705	3,846,417	2,048,940	573,905	5,321,452
CFD No. 1 Mello-Roos	2,473,690	29,818	2,824,159	-320,652	-	2,824,802	-3,145,454	-	2,825,468	-5,970,922
Berkeley Tourism	63,600	485,557	333,119	216,037	416,667	416,667	216,037	433,333	433,333	216,037
Business Improvement District										
Elmwood Business Improvement District	32,388	31,130	30,000	33,518	30,000	30,000	33,518	30,000	30,000	33,518
Solano Avenue Business Improvement District	7,805	32,290	30,014	10,082	25,000	25,000	10,082	25,000	25,000	10,082
Telegraph Business Improvement District	238,438	518,752	761,808	-4,618	583,315	583,315	-4,618	583,315	583,315	-4,618
North Shattuck Business Improvement District	-106,009	102,539	-	-3,470	210,363	210,363	-3,470	210,363	210,363	-3,470
Downtown Berkeley Property & Improvement District	195,787	1,322,435	1,283,165	235,057	1,383,139	1,383,139	235,057	1,383,139	1,383,139	235,057
Rent Stabilization Board	1,444,751	6,271,746	5,232,297	2,484,200	5,687,000	6,697,755	1,473,445	5,687,000	6,856,431	304,014
Revenue & Expenditure Totals:	471,384,693	810,585,733	652,414,075	629,556,351	608,069,933	754,176,626	483,449,658	603,820,083	725,972,990	361,296,750

Continuation – Available Cash Balance by Funding Source

Notes:

Estimated balances as of 7/1/22 are not official numbers. Final balances will be provided in the FY 2022 Annual Comprehensive Financial Report
Balances as of 7/1/23 and 7/1/24 assume budgeted revenues are fully realized and budgeted expenditures are fully spent
Grant Funds with a negative "Available Balance" indicate a "receivable" or grant reimbursement is pending/in process.

DEBT

Bond Rating

The City currently maintains a tax-backed rating of "Aa2" and "AA+" from Moody's Investors Service and Standard & Poor's respectively.

CITY OF BERKELEY			
FY 2023 – FY 2024 DEBT SERVICE DETAILS			
Account Description	FY 2023	FY 2024	Total
Principal Payment	50,000	55,000	105,000
<u>Interest Payment</u>	46,010	43,395	89,405
2004 Thousand Oaks Heights UUT No.1	96,010	98,395	194,405
Principal Payment	1,152,501	1,198,448	2,350,949
<u>Interest Payment</u>	480,231	427,220	907,451
2012 Refunding (Refunding of 1999 LRB - Berkeley Rep & 2003 COP - Building Acquisition)	1,632,732	1,625,668	3,258,400
Principal Payment	352,499	366,552	719,051
<u>Interest Payment</u>	146,881	130,668	277,549
2012 Refunding (Refunding of 1999 LRB - Berkeley Rep & 2003 COP - Building Acquisition)	499,380	497,220	996,600
Principal Payment	370,000	385,000	755,000
<u>Interest Payment</u>	526,000	507,125	1,033,125
2014 Measure M (Street and Integrated Watershed Improvements) Measure M - Street and Integrated Watershed Impro	896,000	892,125	1,788,125
Principal Payment	1,526,275	1,600,236	3,126,511
<u>Interest Payment</u>	524,338	446,175	970,513
c. 2015 GORBs (for the 2007 B refunding Bonds) Measure S	2,050,613	2,046,411	4,097,024
Principal Payment	280,579	294,175	574,754
<u>Interest Payment</u>	96,390	82,021	178,412
a. 2015 GORBs (for the 2002 Refunding bonds) Measure G - 2002	376,969	376,197	753,166
Principal Payment	105,678	110,799	216,476
<u>Interest Payment</u>	36,305	30,893	67,197
b. 2015 GORBs (for the 2007 A refunding Bonds) Measure G - 2007 Series A	141,982	141,691	283,673
Principal Payment	357,468	374,791	732,259
<u>Interest Payment</u>	122,805	104,498	227,303
d. 2015 GORBs (for the 2008 General Obligation Bonds, Measure I) Measure I - Animal Shelter	480,273	479,289	959,562

FY 2023 – FY 2024 DEBT SERVICE DETAILS			
Account Description	FY 2023	FY 2024	Total
DEBT SERVICE DETAILS CONTINUATION			
Principal Payment	320,000	335,000	655,000
<u>Interest Payment</u>	420,113	403,738	823,850
2016 Measure M	740,113	738,738	1,478,850
Measure M - Street and Integrated Watershed Impro			
Principal Payment	840,000	870,000	1,710,000
<u>Interest Payment</u>	1,074,650	1,041,050	2,115,700
2016 Parking Garage	1,914,650	1,911,050	3,825,700
Principal Payment	730,000	765,000	1,495,000
<u>Interest Payment</u>	1,000,556	963,181	1,963,738
2017 G.O Bonds (infrastructure and Facilities Measure TI - Infrastructure and Facilities	1,730,556	1,728,181	3,458,738
Principal Payment	740,000	770,000	1,510,000
<u>Interest Payment</u>	1,265,540	1,237,265	2,502,805
2020 G.O Bonds	2,005,540	2,007,265	4,012,805
2018 Election Measure O: Affordable Housing			
Principal Payment	265,000	275,000	540,000
<u>Interest Payment</u>	272,075	258,575	530,650
2020 Refunding GO Bonds, Series A	537,075	533,575	1,070,650
Measure FF - Neighborhood Branch Library Improvements Project (Refunding 2010 GO Bond Measure FF - Neighborhood Branch Library Improvements Project)			
Principal Payment	395,000	415,000	810,000
<u>Interest Payment</u>	409,313	389,063	798,375
2020 Refunding GO Bonds, Series B	804,313	804,063	1,608,375
(Refunding 2009 GO Bond Measure FF Library Branch Measure FF - Neighborhood Branch Library Improvements Project)			
Principal Payment	-	-	-
<u>Interest Payment</u>	138,200	138,200	276,400
2021 Refunding Lease Revenue Bonds	138,200	138,200	276,400
(2010 Animal Shelter COP Refinancing)			
Principal Payment	1,295,825	1,220,825	2,516,650
<u>Interest Payment</u>	1,500,000	1,750,000	3,250,000
2021 G.O Bonds, Series B (2016 Election infrastructure and Facilities	2,795,825	2,970,825	5,766,650
Measure TI - Infrastructure and Facilities			
Total Principal	8,780,825	9,035,825	17,816,650
Total Interest	8,059,406	7,953,066	16,012,473
Total Debt Service	16,840,231	16,988,891	33,829,123

GANN CHART

GANN APPROPRIATIONS LIMITATION Actual for FY 2022, Projected for FY 2023 and FY 2024

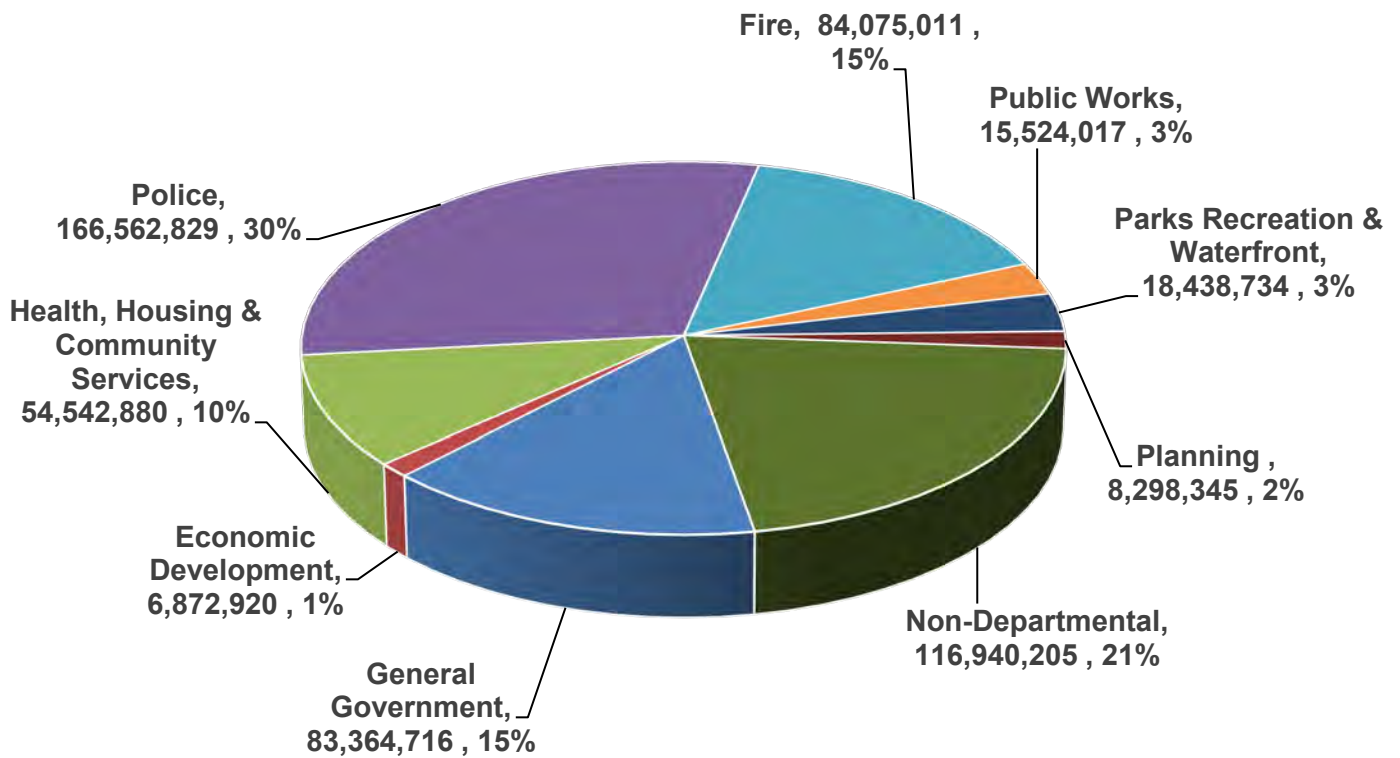
Fiscal 2021 Gann Appropriation Limitation	\$251,375,973
Add: Fiscal Library Relief Tax	21,704,603
Emergency Medical Services Special Tax	3,330,634
Park Maintenance, City Trees and Landscaping Special Tax	15,320,468
Emergency Paratransit Tax	1,451,853
Firefighting, Emergency Medical Response and Wildfire	12,750,000
Fire Protection and Emergency Response and Preparedness	5,559,637
Total Gann Appropriations Limitation FY 2022	<u>311,493,168</u>
Appropriation Subject to Gann Limitation FY 2022	<u>239,070,328</u>
Excess of Limitation Over Appropriation FY 2022	<u>\$72,422,840</u>
Percentage Under Gann Limit for FY 2022	<u>23.25%</u>
Fiscal 2022 Gann Appropriation Limitation	\$268,670,640
Add: Fiscal Library Relief Tax	23,837,768
Emergency Medical Services Special Tax	3,562,620
Park Maintenance, City Trees and Landscaping Special Tax	16,791,663
Emergency Paratransit Tax	1,590,735
Firefighting, Emergency Medical Response and Wildfire	8,604,000
Fire Protection and Emergency Response and Preparedness	5,777,036
Total Projected Gann Appropriations Limitation FY 2023	<u>328,834,462</u>
Appropriation Subject to Gann Limitation FY 2023	<u>273,756,588</u>
Excess of Limitation Over Appropriation FY 2023	<u>\$55,077,874</u>
Projected Percentage Under Gann Limit- Projected for FY 2023	<u>16.75%</u>
Fiscal 2023 Gann Appropriation Limitation	\$274,044,053
Add: Fiscal Library Relief Tax	24,314,523
Emergency Medical Services Special Tax	3,633,872
Park Maintenance, City Trees and Landscaping Special Tax	17,127,496
Emergency Paratransit Tax	1,622,550
Disaster Fire Protection Tax	5,892,576
Fire Protection and Emergency Response and Preparedness	8,776,080
Total Projected Gann Appropriations Limitation FY 2024	<u>335,411,150</u>
Projected Appropriation Subject to Gann Limitation FY 2024	<u>284,706,852</u>
Projected Excess of Limitation Over Appropriation FY 2024	<u>\$50,704,298</u>
Projected Percentage Under Gann Limit- Projected for FY 2024	<u>15.12%</u>

(1) The GANN Limit override to raise the spending limit for the special taxes are required to be renewed by voters every four years. The date the next GANN Limit override is to be submitted to voters is November, 2024.

GENERAL FUND

The primary fund of the City, the General Fund, is used to account for all revenues and expenditures not legally restricted as to use. The General Fund includes general purpose revenues from business licenses, property, sales and transient occupancy taxes and other discretionary revenues. These revenues are considered discretionary (i.e. there is no restriction in their use by federal, state or local legislation) and may be spent on a variety of City services, program and projects at the discretion of the City Council. This section describes what the different City departments' share of the General Fund looks like and the diverse types of revenue that make up the General Fund.

**General Fund Expenditures by Department
FY 2023 & FY 2024 Adopted Biennial Budget
\$554,619,656 (Two-Year Total)**



SUMMARY OF EXPENDITURES BY DEPARTMENT – GENERAL FUND

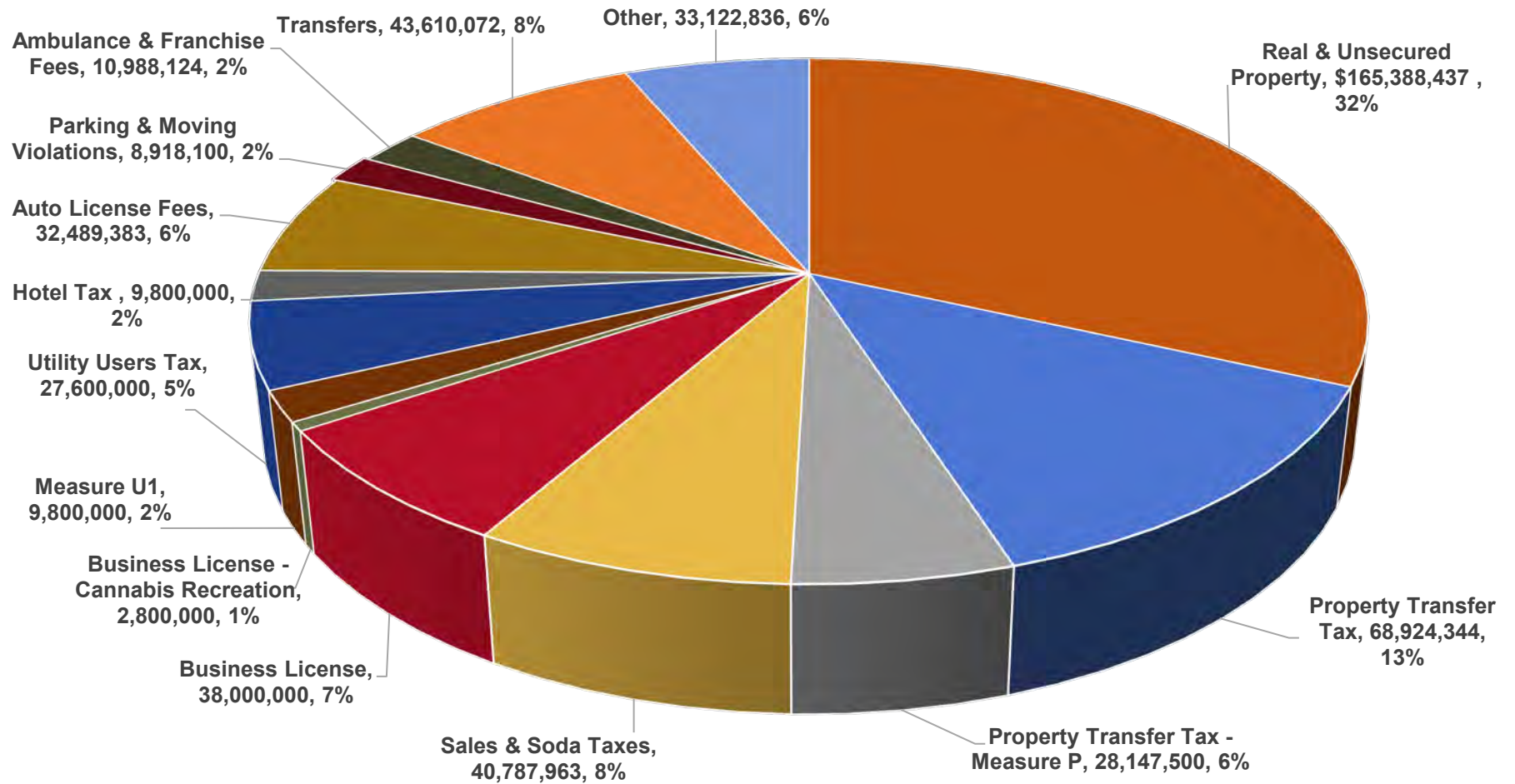
	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
Mayor & Council	\$2,525,920	\$2,708,844	\$3,096,559	\$3,334,707	\$4,785,155	\$4,835,380
Auditor	2,432,086	2,467,028	2,705,379	2,624,179	3,006,058	3,026,481
Police Review Commission ^(a)	775,701	741,700	-	-	-	-
Office of the Director of Police Accountability	-	-	1,114,235	815,258	1,422,432	1,374,911
City Manager	7,573,988	7,872,856	8,377,168	9,045,847	11,320,277	11,347,845
Office of Economic Development	5,855,850	2,488,081	2,535,186	3,004,242	3,528,952	3,343,968
Information Technology	1,396,627	1,330,730	1,526,760	1,446,932	1,526,760	1,526,760
City Attorney	2,217,772	2,762,048	3,434,164	2,648,007	4,765,390	4,741,679
City Clerk	2,069,740	2,832,552	2,396,737	2,235,757	2,590,414	2,676,728
Finance	6,596,629	6,682,935	7,041,962	6,811,180	9,041,238	9,213,830
Human Resources	2,270,953	2,318,029	2,407,724	2,193,444	3,050,172	3,113,206
Health, Housing & Community Services	27,809,295	25,566,360	23,455,690	32,520,546	27,130,179	27,412,701
Police	75,754,210	77,270,053	73,228,172	77,923,005	82,717,136	83,845,693
Fire	38,848,003	38,988,843	37,021,939	43,574,467	41,770,979	42,304,032
Public Works	4,729,001	5,499,277	4,742,625	6,859,823	9,019,125	6,504,892
Parks, Recreation & Waterfront	6,987,179	7,304,226	7,675,564	8,765,448	9,085,161	9,353,573
Planning	2,540,320	2,567,473	2,325,367	2,629,757	4,917,453	3,380,891
Non-Departmental ^(b)	27,414,646	29,995,640	51,669,260	36,288,719	60,994,413	55,945,792
Total General Fund	\$217,797,922	\$219,396,675	\$234,754,491	\$242,721,316	280,671,294	\$273,948,362

Notes:

(a) Police Review Commission has become the Office of the Director of Police Accountability in FY 22.

(b) Non-Departmental consists of operational overhead costs such as Property Insurance and School Board Salaries, General Fund allocation for Community Based Organizations, Workers' Compensation costs, Debt Service, and Interfund Transfers.

FY 2023 & FY 2024 ADOPTED GENERAL FUND REVENUES SUMMARY CHART



GENERAL FUND REVENUE FORECAST

The following chart shows prior years' actual, FY22 estimated actual, FY23-24 adopted, and FY25-26 projections.

GENERAL FUND REVENUE FORECAST								
	Actual Revenues FY 2020	Actual Revenues FY 2021	Adopted FY 2022	Est. Actual FY 2022	Adopted FY 2023	Adopted FY 2024	Projected FY 2025	Projected FY 2026
Secured Property	\$63,192,678	\$68,166,155	\$71,382,000	\$71,077,973	\$75,664,920	\$78,691,517	\$83,019,550	\$87,585,625
Unsecured Property	3,164,168	3,448,412	2,625,000	4,001,922	3,516,000	3,516,000	3,709,380	3,913,396
Supplemental Taxes	2,334,597	2,249,517	2,000,000	2,313,723	2,000,000	2,000,000	2,110,000	2,226,050
Property Transfer Tax	22,095,507	21,469,955	12,500,000	42,901,750	18,000,000	18,000,000	16,000,000	16,000,000
Property Transfer Tax for Capital Improvements	-	-	8,500,000	-	16,462,172	16,462,172	-	-
Property Transfer Tax - Measure P	9,512,603	10,919,576	8,500,000	12,091,313	14,073,750	14,073,750	14,355,225	14,642,329
Sales Tax	17,557,539	15,792,305	18,287,215	18,928,278	19,016,546	19,790,997	20,186,817	20,590,553
Soda Tax	1,331,313	953,069	990,210	1,025,800	990,210	990,210	1,010,014	1,030,214
Business License	20,863,685	17,809,332	18,498,146	20,404,397	19,000,000	19,000,000	19,380,000	19,767,600
Business License - Cannabis Recreation	1,300,887	1,712,641	1,643,739	1,250,792	1,400,000	1,400,000	1,428,000	1,456,560
Measure U1	5,597,359	4,818,740	5,120,350	4,913,872	4,900,000	4,900,000	4,998,000	5,097,960
Utility Users Tax	13,475,915	13,892,200	13,000,000	14,750,065	13,800,000	13,800,000	14,076,000	14,357,520
Hotel Tax	6,387,495	2,292,480	2,173,500	5,727,046	4,900,000	4,900,000	5,304,000	5,410,080
Vehicle In-Lieu	13,356,044	14,380,453	14,959,837	15,006,003	15,926,168	16,563,215	17,474,192	18,435,272
Parking Fines	3,900,595	3,562,706	3,726,450	4,764,121	4,326,450	4,326,450	4,412,979	4,501,239
Moving Violations	200,894	131,756	132,600	156,253	132,600	132,600	135,252	137,957
Interest	6,702,564	5,917,722	4,462,320	6,694,122	6,000,000	6,000,000	6,120,000	6,242,400
Ambulance Fees	4,996,193	3,081,204	3,154,002	3,833,730	3,880,779	3,880,779	3,958,395	4,037,562
Franchise Fees	1,839,102	1,726,470	1,613,283	1,720,056	1,613,283	1,613,283	1,645,549	1,678,460
Other Revenue	20,074,732	18,522,747	15,443,132	25,430,293	10,461,418	10,661,418	12,668,446	12,991,816
Transfers	5,480,439	21,180,762	27,354,923	27,354,923	22,586,148	21,023,924	4,472,621	4,562,074
TOTAL	\$223,364,309	\$232,028,202	\$236,066,707	\$284,346,432	\$258,650,444	\$261,726,315	\$236,464,420	\$244,664,667

KEY GENERAL FUND REVENUES

REAL PROPERTY TAXES

Under the State Constitution, Real Property Taxes (Property Taxes) are applied to all taxable real and personal property (i.e., possessory interest, and other personal property considered to be permanently attached to the property), and are set at 1% of the assessed value. The

Alameda County Assessor maintains property tax assessment rolls that account for all property. Property Taxes are adjusted per the following:

- The assessed value of real property that has not changed ownership increases by the change in the California Consumer Price Index up to a maximum of 2% per year.
- Property that changes ownership; is substantially altered; is newly constructed; “state-assessed” rather than “local-assessed” property; and personal property (i.e., possessory interest, and other personal property considered to be permanently attached to the property), is assessed at the full market value in the first year, and subject to the 2% cap, thereafter.

In 1979, in order to mitigate the loss of Property Tax revenues after approval of Proposition 13, the State legislature approved AB 8. This action was approved to provide a permanent method for allocating the proceeds from the 1% property tax rate by allocating revenues back to local governments based on their historic shares of property tax revenues. As part of the State’s 1993-94 budget, the AB 8 formula was altered requiring another ongoing shift in City Property Tax revenue to K-12 schools and community colleges (Education Revenue Augmentation Fund or ERAF).

Real Property Tax
<ul style="list-style-type: none"> ▪ The City’s Property Tax is collected by Alameda County. ▪ The City receives approximately 32.57% of the 1% countywide real property tax levied within the City limits*. ▪ Most of the revenue is received in December and April. <p><i>* These percentages do not take into consideration the contributions made to the former redevelopment projects.</i></p>

Allocation of County-Wide Property Tax	Agency/Jurisdiction Allocation	Percentage Allocated
	City of Berkeley	32.57
	County General Fund	15.06
	Schools	42.85
	Special Districts	9.52
	Total 1% Countywide Tax Allocation	100.00

Proposition 1A, enacted in November 2004, provides protection for local property taxes, sales taxes, and Vehicle In-Lieu (VLF) revenues by prohibiting the State Legislature from taking any action that would:

- Reduce the local Bradley Burns Uniform sales and Use Tax rate or alter its allocation.
- Decrease VLF revenue from the 0.65% rate without providing replacement funding.
- Shift property taxes from cities, counties or special districts except under certain circumstances.

ANALYSIS OF REAL PROPERTY TAX

Factors that affect the revenue generated by property taxes are:

- Changes in assessed values, which are caused by inflation adjustments up to 2%, construction activity, and sales of properties.
- Economic growth in the Bay Area.
- The rate of collection.

Changes in Taxable Assessed Values & Collection Rate	Description	2019	2020	2021	2022
	Taxable Assessed Value (\$1,000)	\$19,399,314	\$20,730,917	\$22,236,539	\$23,246,718
	Dollar Change Assessed Value (\$1,000)	1,204,194	1,331,603	1,505,622	1,010,179
	Percent Change Assessed Value	6.21%	6.86%	7.26%	4.54%
	Percent Prop Tax Collected	95.10%	94.87%	99.22%	99.31%

FY 2022 Real Property Tax revenues totaled \$71,077,973, which was \$2,911,818 or 4.27% more than the \$68,166,155 received in FY 2021. The FY 2022 total of \$71,077,973 is \$304,027 less than the adopted budget amount of \$71,382,000.

The growth in annual property tax revenues is generally close to the growth in annual assessed values. Differences between the two result primarily from reassessment refunds and changes in delinquency rates.

FORECAST OF PROPERTY TAX REVENUE

The revenue projection for Real Property Tax revenue is primarily based on the annual County Assessor’s Office estimate of assessed values, which is provided in June each year. The difference between the estimate in June and the actual certification in August is generally small.

Real Property Tax revenue is currently projected to grow at about 6.5% in FY 2023, 4.0% in FY 2024 and 5.5% in FY 2025. Staff updates these original Adopted Budget projections quarterly.

REAL PROPERTY TAXES	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Collections	\$63,192,678	\$68,166,155	\$71,077,973	\$75,664,920	\$78,691,517	\$83,019,550
Dollar Change	4,013,905	4,973,477	2,911,818	4,586,947	3,026,597	4,328,033
Percent Change	6.78%	7.87%	4.27%	6.45%	4.00%	5.50%

SUPPLEMENTAL REAL PROPERTY TAXES

Supplemental Taxes are the result of the reassessment of property as of the 1st day of the month following either an ownership change or completion of new construction. In most cases, this reassessment results in one or more supplemental tax bills being sent to the property owner during the year, in addition to the annual property tax bill.

The Assessor determines the new value of the property based on the current market, and then calculates the difference between the new value (set at the time of purchase or completion of new construction) and the old value (set on January 1st of the previous fiscal year). The result is the supplemental assessment value. Once the new assessed value of a property has been determined, the Assessor will send a notification of the amount to be assessed to the owner.

ANALYSIS OF SUPPLEMENTAL REAL PROPERTY TAX

Factors that affect the revenue generated by Supplemental Taxes are the sales of real property and/or new construction in the City that occurs after the assessment lien date (of January 1st) until the end of the fiscal year, June 30th.

For FY 2022, Supplemental Tax revenue totaled \$2,317,723, which is an increase of \$68,205 or 3.03% from the \$2,249,517 received in FY 2021. The amount of \$2,317,723 received in FY 2022 was \$317,723 more than the adopted budget amount of \$2,000,000.

FORECAST OF SUPPLEMENTAL REAL PROPERTY TAX REVENUE

Supplemental Tax revenues are very volatile from year to year. Therefore, revenues are projected to remain flat in FY 2023 and FY 2024, and then increase slightly in FY 2025. The volatility is due to fluctuations in the reassessment backlog worked on by the County Assessor's Office. As the County works on reassessment applications, this revenue typically goes up. Staff updates these original adopted budget projections quarterly.

SUPPLEMENTAL REAL PROPERTY	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Collections	\$2,334,597	\$2,249,517	\$2,317,723	\$2,000,000	\$2,000,000	\$2,110,000
Dollar Change	159,694	-85,080	68,205	-317,723	-	110,000
Percent Change	7.3%	-3.64%	3.03%	-13.71%	0%	5.50%

PROPERTY TRANSFER TAXES

The Property Transfer Tax (Transfer Tax) rates are set by the City of Berkeley. The City's transfer tax rate is 1.5% for properties with a consideration of up to \$1.5 million, and 2.5% for transferred properties with a consideration of over \$1.5 million. The additional 1% (Measure P revenue) will be used for general municipal purposes such as navigation centers, mental health support, rehousing and other services for the homeless, including homeless seniors and youth.

The \$1.5 million threshold will be adjusted annually to capture approximately the top 33% of such transfers based on transfers that occurred in the 12 months preceding September 1 of the preceding year. However, the threshold cannot be reduced below \$1.5 million, meaning that the tax on properties transferred for \$1.5 million or less would remain at 1.5%, notwithstanding any adjustment.

The tax is due when the documents of transfer are recorded with the County. Title companies collect the tax as part of the sale closing process, and remit the funds to Alameda County when sales or transfers are finalized. Penalties are imposed on delinquent payments, and interest is charged from the date of delinquency until paid. Alameda County remits the amounts due monthly, and the amounts are credited to the City's General Fund.

In Berkeley, a portion of Transfer Taxes are used to fund the City's Seismic Retrofit Rebate Program for residential housing. Upon transfer of a qualifying residential property, the buyer may voluntarily choose to reserve up to 1/3 of the total Transfer Tax to perform voluntary seismic upgrades as specified by the City. Property owners have up to one year after the recording of the sale to complete the seismic work and file for the rebate. An extension for good cause may be requested in writing up to one year past the original deadline date, provided the request is made prior to the one-year filing deadline.

ANALYSIS OF PROPERTY TRANSFER TAX

Because Property Transfer Tax is tied directly to all real property sales, it is a volatile revenue source, and difficult to predict more than one year at a time. Factors that affect the revenue generated by Transfer Taxes are the sale price of property and the frequency with which property is sold.

These immediate factors are driven by the availability of mortgage loans, the level of long-term interest rates, the supply and demand for real estate in Berkeley, and general economic growth in the Bay Area.

For FY 2022, Property Transfer Tax revenue totaled \$42,901,750, which is an increase of \$21,431,795 or 99.82% from the \$21,469,955 received in FY 2021. The amount of \$42,901,750 received in FY 2022 was \$21,901,750 more than the adopted budget amount of \$21,000,000. The primary reason for the \$21,431,795 increase in Property Transfer Tax was the significantly increased volume of property sales in FY 2022.

In addition, \$20,591,313 in Measure P taxes (taxes effective December 21, 2018) were collected during FY 2022 compared to \$10,919,576 collected during FY 2021. The growth was primary due to significant increased volume of high-value property sales in FY 2022.

FORECAST OF TRANSFER TAX REVENUE

Staff is forecasting recurring Transfer Tax revenue of \$34.5 million in FY 2023 and FY 2024, and \$35.2 million in FY 2025, net of budgeted seismic retrofit rebates.

PROPERTY TRANSFER TAX	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Collections	\$22,095,507	\$21,469,955	\$42,901,750	\$34,462,172	\$34,462,172	\$35,151,415
Dollar Change	2,184,511	-625,552	21,431,795	-8,439,578	-	689,243
Percent Change	11.0%	-2.83%	99.82%	-19.67%	0%	2.0%
MEASURE P	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Collections	\$9,512,603	\$10,919,576	\$20,591,313	\$14,073,750	\$14,073,750	\$14,355,225
Dollar Change	6,580,290	1,406,974	9,671,737	-6,517,563	-	281,475
Percent Change	224.4%	14.79%	88.57%	-31.65%	0%	2.0%

VEHICLE IN-LIEU TAX / LICENSE FEES (VLF)

Motor Vehicle In-Lieu Tax (VLF) is a tax imposed by the State on the ownership of a registered vehicle. VLF is collected by the State Department of Motor Vehicles (DMV) and more than 95% of these fees are divided equally between counties and cities, and their aggregate shares are distributed in proportion to the respective populations of the cities and counties.

The State withholds less than 5% of these fees for the support of the Department of Motor Vehicles. Until 1998-99, the annual license fee was 2% of the market value of the vehicle as determined by the DMV. In 1998-99, the State reduced the license fees by 25%, but agreed to backfill local jurisdictions for this loss in revenue.

In 2004, the Governor lowered the annual VLF to 0.65%, from 2.0%. In the budget agreement between the Governor and cities and counties, the Governor agreed to backfill the 1.35% difference in VLF with property taxes from the Education Revenue Augmentation Fund (ERAF), in exchange for cities and counties taking cuts of \$350 million in FY 2005 and FY 2006. Berkeley’s share of the cut was \$1.83 million in both FY 2005 and FY 2006. Beginning in FY 2006, this property tax in lieu of VLF began to grow at the same rate as the change in gross assessed valuation of taxable property in the City from the prior year.

ANALYSIS OF VLF

Factors that have affected VLF revenue in the past include the sales of new vehicles in California, DMV administrative costs, and the proportion of Berkeley’s population to the total for the State and County. Starting in FY 2006, the rate of growth in the assessed values of properties also impacted VLF revenues, as the amount of the VLF paid increases by the change in gross assessed values of taxable properties.

For FY 2022, VLF revenue totaled \$15,006,003 which is \$625,550 or 4.35% more than the \$12,421,597 received in FY 2021, and is consistent with the 4.5% increase in assessed values for FY 2022. The amount of \$15,006,003 received in FY 2022 was \$46,166 more than the adopted budget amount of \$14,959,837.

FORECAST OF VLF REVENUE

VLF projections are based on trend analysis, growth in assessed value and communications with the State Controller’s Office staff about new vehicle sales and DMV administrative costs reported. It is tied to the change in gross assessed values of taxable properties.

VLF	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Collections	\$13,356,044	\$14,380,453	\$15,006,003	\$15,926,168	\$16,563,215	\$17,474,192
Dollar Change	815,260	1,024,409	625,550	920,165	637,047	910,977
Percent Change	6.50%	7.67%	4.35%	6.13%	4.0%	5.5%

PERSONAL PROPERTY TAXES (UNSECURED PROPERTY)

Personal property tax is assessed at the rate of 1% of the market value on a business' personal property, such as office furniture, machinery, boats, aircraft and other equipment. Tax is billed and collected by Alameda County in a single installment due August 31st, with most of the amount due to the City remitted in September and credited to the General Fund.

ANALYSIS OF PERSONAL PROPERTY TAXES

Factors that affect revenue generated by tax on personal property are business capital expenditures growth and the collection rate. The growth in annual personal property tax revenues should generally be close to the growth in annual assessed values, except for significant changes in collection rates. Prior years' personal property levies collected in the current year and refunds are included in the total and can cause significant variances.

For FY 2022, Unsecured Property Tax revenues totaled \$4,001,922, which was \$553,510 or 16.05% more than the \$3,448,412 received in FY 2021. The amount of \$4,001,922 received in FY 2022 was \$1,376,922 more than the adopted budget amount of \$2,625,000.

FORECAST OF PERSONAL PROPERTY TAX REVENUE

Staff is projecting a decrease in the Personal Property Tax in FY 2023 of (\$485,922) or (12.14%) to \$3,516,000, the same amount in FY 2024, and an increase of 5.5% to \$3,709,380 in FY 2025, based on the Assessor's estimate of a 25% decline in business personal property, due to the effects of COVID-19.

PERSONAL PROPERTY TAX	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY2024	FY2025
Total Collections	\$3,164,168	\$3,448,412	\$4,001,922	\$3,516,000	\$3,516,000	\$3,709,380
Dollar Change	285,893	284,244	553,510	-485,922	-	193,380
Percent Change	9.93%	8.98%	16.05%	-12.14%	0%	5.50%

SALES TAX

Sales Tax is an excise tax imposed on retailers for the privilege of selling or leasing tangible personal property. The Use Tax is an excise tax imposed for the storage, use, or other consumption of tangible personal property purchased from any retailer.

The proceeds of sales and use taxes imposed within the boundaries of Berkeley are distributed by the State to various agencies, with the City of Berkeley receiving 1% of the amount collected.

In March 2004, voters of California approved Proposition 57, the California Economic Recovery Bond Act. Legislative provisions implementing Proposition 57 provide for a swapping of ¼ cent to be used by the State to repay the bonds, effective July 1, 2004.

Referred to as the “triple flip”, the provisions include:

- (a) a reduction of the Bradley Burns Local Sales and Use Tax rate by ¼% in tandem with a new ¼% state rate to fund fiscal recovery bond repayment;
- (b) repayment to cities and counties with additional local property tax previously allocated to local schools; and
- (c) repayment to local schools with State general funds.

Effective April 1, 2009, the State sales and use tax rate was increased by 1%, from 8.75% to 9.75%. This 1% tax rate increase expired on July 1, 2011. However, Proposition 30, temporary Taxes to Fund Education, was approved by voters at the state-wide election on November 6, 2012. This measure provided for an increase in the tax rate of .25% for four years (January 1, 2013 through December 31, 2016). In 2016, California voters approved Proposition 55 to extend Prop 30 from 2019 through 2030 with the same mandatory audits and transparency requirements.

Sales tax collected within Alameda County is distributed to the State, the City of Berkeley and the Alameda County as shown in the chart below.

Distribution of Sales Tax Collected within Alameda County	Agency	Distribution Percentage
	State of California	5.75%
	State Public Safety Fund (Proposition 172)	0.50%
	City of Berkeley	1.00%
	Alameda County Transportation Commission	1.00%
	Alameda County Essential Health Care Services	0.50%
	Alameda County Children’s Health and Child Care	0.50%
	Alameda County Transactions and Use Tax (ACTU)	0.50%
	Alameda County BART	0.50%
	Total Sales Tax	10.25%

ANALYSIS OF SALES TAX

Factors that affect the revenue generated by Sales Tax include:

- Overall economic growth in the Bay Area and competition from neighboring cities.
- Growth rate of specific dominant commercial/industrial sectors in Berkeley.
- Berkeley’s business attraction/retention efforts, especially on retail establishments.
- Catalog and Internet sales.

For FY 2022, Sales Tax revenue totaled \$18,928,278, which is \$3,135,972 or 19.86% more than the \$15,792,305 received in FY 2021. The amount of \$18,928,278 received in FY 2022 was \$641,063 more than the adopted budget amount of \$18,287,215. The increase over FY 2021 is due to the recovery of City businesses from COVID-19 related shut-downs.

FORECAST OF SALES TAX REVENUE

The City’s sales tax consultant is projecting a minimal growth in the City’s sales tax revenues for FY 2023, and modest increases in FY 2024 and FY 2025. Annual Sales Tax revenue is projected to increase by only 0.47% in FY 2023, and then gradually increase by 4.07% and 2.0%, respectively, in FY 2024 and FY 2025.

SALES TAX	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY2024	FY2025
Total Collections	\$17,557,540	\$15,792,305	\$18,928,278	\$19,016,546	\$19,790,997	\$20,186,817
Dollar Change	-1,106,010	-1,765,234	3,135,972	88,268	774,451	395,820
Percent Change	-5.93%	-10.05%	19.86%	0.47%	4.07%	2.0%

BUSINESS LICENSE TAX

A tax receipt (colloquially called a “business license”) is issued each year upon payment of a Business License Tax (BLT), which is either a fixed amount or based on a varying percentage of the prior year’s gross receipts, depending on the type of business. The Business License must be renewed on January 1st each year, and the required tax is delinquent if paid after February 28th.

ANALYSIS OF BUSINESS LICENSE TAX

Factors that affect the BLT revenue are:

- Number of business renewals.
- Commercial and industrial growth rates.
- Attraction/loss of businesses.
- Economic growth in the Bay Area.
- Results of Finance BLT collection activity; and the City Auditor’s and Finance Department audit programs.

For FY 2022, BLT revenue totaled \$20,404,397, which is \$2,595,065 or 14.57% more than the \$17,809,332 received in FY 2021. The \$20,404,397 collected in FY 2022 was \$1,906,251 or 10.31% more than the adopted budget amount of \$18,498,146.

FORECAST OF BUSINESS LICENSE TAX REVENUE

Due to a potential economic slowdown, the BLT revenues are projected to decrease by 6.88% in FY 2023 and remain flat in FY 2024, before increasing by 2.0% in FY 2025.

BUSINESS LICENSE TAX	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Collection	\$21,009,453	\$17,809,332	\$20,404,397	\$19,000,000	\$19,000,000	\$19,380,000
Dollar Change	1,014,882	-3,200,121	2,595,065	-1,404,397	-	380,000
Percent Change	5.11%	-15.23%	14.57%	-6.88%	0%	2.00%

U1 BUSINESS LICENSE REVENUE

For FY 2022, U1 Business License Tax revenue totaled \$4,913,872 which is \$95,132 more than the \$4,818,740 received in FY 2021. The \$4,913,872 collected in FY 2022 was \$206,478 less than the adopted budget amount of \$5,120,350.

UTILITY USERS TAX

Utility Users Tax (UUT) has generally been a steady and reliable source of General Fund (GF) revenue for most cities, and Berkeley's 6th largest source of GF revenue. UUT is charged at the rate of 7.5% to all users of a given utility (electricity, gas, telephone, cable, and cellular), other than the corporation providing the utility (a utility company's consumption of all utilities used in the production or supply of their service is not taxed). The tax is not applicable to State, County, or City agencies, or to insurance companies and banks.

ANALYSIS OF UUT

Some factors that affect the revenue generated by UUT are:

- Consumption/use of gas, electricity, telecommunication services, cable, and cellular.
- Regulatory actions, including deregulation and re-regulation.
- PUC rate changes.
- Market forces.
- Evolution of technology.
- Legislative action at the Federal and State levels.

About 62% of UUT revenues were generated from gas and electric services and 38% from telecommunications during FY 2022, compared to a ratio of 60%/40% in the past.

UUT revenue in FY 2022 increased by \$857,866 or 6.18%, to \$14,750,065 from the \$13,892,200 received in FY 2021. The \$14,750,065 collected in FY 2022 was \$1,750,065 or 13.46% more than the adopted budget amount of \$13,000,000.

FORECAST OF UUT REVENUES

UUT is projected to decrease in FY 2023 by about 6.44%, and level off in FY 2024, before increasing slightly in FY 2025.

UTILITY USERS TAX	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Collections	\$13,475,915	\$13,892,200	\$14,750,065	\$13,800,000	\$13,800,000	\$14,076,000
Dollar Change	-497,829	416,284	857,866	-950,065	-	276,000
Percent Change	-3.56%	3.09%	6.18%	-6.44%	0%	2.0%

CABLE FRANCHISE: Prior to the passage of State Bill AB2987, Federal and State laws allowed cities to grant franchises to cable companies to use the public right-of-way (PROW) to install and provide video service. The cable company, in turn, applied for a permit to install the video facilities. The permit also allowed for maintenance work once the installation was complete. Under the current franchise agreement, the cable company pays Berkeley an annual franchise fee of 5% of gross revenues, in quarterly installments. In addition, they support the Public Access Channel programming (B-TV). The cable franchise expired on November 12, 2007. State Bill AB 2987 allows companies to apply for statewide cable television franchises, and the bill maintains the City's 5% franchise fee. In addition to the 5% franchise fee, the bill allows the City to receive an additional fee of 1% of the gross revenue for Public, Educational and Government (PEG) purposes

ELECTRIC & GAS FRANCHISES: These franchise fees (ultimately paid by the consumer) are variable fees based on gross receipts for the sale of electricity or gas within the City, and is the greater of these two calculations: (1) Electric or Gas Franchise Ordinance: 2% of gross receipts attributable to miles of line operated; or (2) 1937 Act Computations: gross receipts within the City times 0.5%. Electric/Gas franchise fees are paid annually to the General Fund. Electric and gas franchise payments are based on two methods of calculating gross receipts. The electric/gas company must complete both calculations, and the payment made is the greater amount. In addition, the PUC approved a franchise fee surcharge since PG&E no longer handles all energy service, in order to prevent cities from losing franchise revenue generated by third parties. The surcharge is an estimate of the amount of revenues generated by third parties multiplied by the franchise fee rate.

ANALYSIS OF FRANCHISE FEES

For FY 2020, Franchise Fee revenue totaled \$1,720,056, which is \$6,414 or .37% less than the \$1,726,470 received for FY 2021. The \$1,720,056 collected in FY 2022 was \$106,773 or 6.62% more than the adopted budget amount of \$1,613,283.

FORECAST OF FRANCHISE FEE REVENUE

Franchise Fee revenues are projected to decrease by 6.21% in FY 2023, remain flat in FY 2024, and then increase by 2% in FY 2025.

FRANCHISE FEES	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Collections	\$1,839,102	\$1,726,470	\$1,720,056	\$1,613,283	\$1,613,283	\$1,645,549
Cable	818,637	716,325	670,661	846,676	846,676	863,610
Electric	598,023	588,726	580,426	476,104	476,104	485,626
Gas	422,442	421,419	468,969	290,503	290,503	296,313

TRANSIENT OCCUPANCY TAXES (TOT)

Transient Occupancy Tax (TOT) is assessed at the rate of 12% on the room charge for rental of transient lodging when the period of occupancy is 30 days or less. This is sometimes referred to as a “hotel tax.” Hotel guests pay the 12% tax.

ANALYSIS OF TOT

Factors that affect the revenue generated by TOT are: the number of hotel rooms available for occupancy; their level of occupancy; and the average room rates charged. Economic cycles that impact personal or business discretionary spending also impact travel, and thus affect the number of occupied rooms in a particular economic cycle.

Transient Occupancy Tax (TOT) revenue for FY 2022 totaled \$5,727,046, which is \$3,434,566 or 149.82% more than the \$2,292,480 received in FY 2021. The FY 2022 increase in revenue is attributable to a substantial recovery in room occupancy from COVID-19 related closures and travel disruptions.

FORECAST OF TOT REVENUE

The Adopted Budget TOT revenue forecast is based on projections for the 12 largest hotels (TOT = number of rooms times hotel’s estimate of occupancy rate times average room rate). Revenues are currently projected to decrease by 12.69% in FY 2023, and then increase by 4% in FY 2024 and 2% in FY 2025.

TRANSIENT OCCUPANCY TAX	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Collections	\$6,387,495	\$2,292,480	\$5,727,046	\$5,000,000	\$5,200,000	5,304,000
Dollar Change	-1,607,638	-4,095,015	3,434,566	-727,046	200,000	104,000
Percent Change	-20.11%	-64.11%	149.82%	-12.69%	4.0%	2.0%

INTEREST INCOME

The City employs a strict cash management program to ensure that all available funds are invested to earn the maximum yield consistent with safety and liquidity. Invested money is pooled and each of the funds receives interest income based on its share of monthly net cash balances. Short-term securities are purchased at a discount (the interest income earned by the City is the difference between the price paid by the City and the par value of the bonds). Long-term securities purchased by the City pay an interest coupon (generally semi-annually). Interest is allocated from the General Fund each month to other designated City funds, based on their net cash balances.

ANALYSIS OF INTEREST INCOME

For FY 2022, Interest Income totaled \$6,694,122, which was \$776,400 or 13.12% more than the \$5,917,722 received in FY 2021. It was also \$2,231,802 more than the adopted budget amount of \$4,462,320 primarily because the Federal Reserve have started to increase interest rates, which then translates into increase in investment earnings.

Interest Income projections are made by taking the existing investments and multiplying by the effective yield, and adding the calculation for estimated interest income on future investments (estimate of amounts to be invested in the various maturities, times the estimate of the applicable interest rate).

In May 2022, Interest Income was conservatively projected to increase 4.0% from the ending revenues earned in FY 2022. At the end of the fiscal year, the Federal Reserve continued to raise the funds rates, which then increased the ending revenue results for FY2022. This projection is based on interest rates started to rise in order to combat very high inflation.

The Federal Reserve raised the Federal Funds rate .25% and .50% at its March and May 2022 meetings, respectively. In addition, an April 4-8, 2022 Reuters poll of more than 100 economists expects the Fed to raise the Federal Funds rate .50% at its June 2022 meeting, and .25% at the rest of its meetings in calendar 2022. This would bring the Federal Funds rate to 2.00% to 2.25% by the end of 2022.

FORECAST OF INTEREST INCOME

INTEREST INCOME	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Collections	\$7,942,187	\$5,917,722	\$6,694,122	\$6,000,000	\$6,000,000	\$6,120,000

PARKING FINES

AB 408 decriminalized parking violations, changing punishment from a criminal penalty to a civil liability. In doing so, it substituted a system of citations and civil penalties, to be adjudicated by an administrative structure within the city or other agency rather than the court system. This structure was intended to allow cities more control and efficiency in the administration of parking fines.

ANALYSIS OF PARKING FINES

Factors that affect the revenue generated by Parking Fines include:

- Amounts established for payment of parking tickets and related charges.
- Number of working parking meters.
- Collections using a professional collections agency and also registration holds with DMV and/or liens with the Franchise Tax Board.

For FY 2022, Parking Fines revenue increased by \$1,192,730 or 33.40% to \$4,764,121, from \$3,571,391 in FY 2021, primarily as a result of the rescission of the Governor's shelter in place orders resulting from the COVID-19 pandemic. After hitting a high of \$11.9 million in revenue and 312,005 tickets written in FY 2007, Parking Fines revenue and ticket writing has declined nearly every year since then.

FORECAST OF PARKING FINE REVENUE

Revenue projections are based on: an estimate of valid tickets issued times the average ticket price times the collection rate (including use of a collection agency, registration holds with DMV and/or liens with the Franchise Tax Board) minus Jail Construction Fund payments.

PARKING FINES	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Collections	\$3,892,325	\$3,571,391	\$4,746,121	\$4,326,450	\$4,326,450	\$4,412,979
Dollar Change	2,308,294	-329,618	1,192,730	-437,671	-	86,529
Percent Change	8.07%	-8.47%	33.40%	-9.19%	0%	2.00%

AMBULANCE FEES

By agreement with Alameda County, the City of Berkeley is the exclusive provider of all emergency ground ambulance service within the City limits. The contract began in July 1, 1999 and has been extended to June 30, 2024. The specific ambulance fee depends on the type of service delivered. Clients and clients' insurance companies are billed monthly by an outside agency (ADPI) that also maintains the City's accounts receivable subsidiary records. The Fire Department receives the remitted amounts and the revenues are credited to the General Fund.

ANALYSIS OF AMBULANCE FEES

For FY 2022, Ambulance Fee revenue totaled \$3,833,730, which is \$752,526 or 24.42% more than the \$3,081,204 received in FY 2021. The total of \$3,833,730 collected was \$679,728 more than the FY 2022 adopted budget amount of \$3,154,002.

FORECAST OF AMULANCE FEE REVENUE

Projections are based on trend analysis and discussions with the Ambulance Fee vendor and Fire Department staff for estimates of each type of service, and the total collections rate. This revenue source is projected to increase in FY 2023 by 1.23%, remain flat in FY 2024, and then increase by 2% in FY 2025.

AMBULANCE FEES	Actual Revenue			Projected Revenue		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Collections	4,996,193	3,081,204	3,833,730	3,880,779	3,880,779	3,958,395
Dollar Change	-538,111	-1,914,989	752,526	47,049	-	77,616
Percent Change	-12.20%	-38.33%	24.42%	1.23%	0%	2.0%



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OTHER FUND FORECASTS

This section summarizes other essential operating funds in the City, besides the General Fund. These funds consist of special revenue, special assessment, and enterprise funds as noted below:

- Parks Tax Fund,
- Library Tax Fund,
- Camps Fund,
- Measure GG Fund,
- Measure FF Fund,
- Clean Storm Water Fund,
- Street Light Assessment District Fund,
- Permit Service Center Fund,
- Zero Waste Fund,
- Sanitary Sewer Fund,
- Off Street Parking Fund,
- Parking Meter Fund, and
- Marina Fund.

Special Revenue Fund is a fund used to account for revenues legally restricted to be spent on a specific purpose, service or program and include tax-based revenues. The City's Special Revenue Funds include:

- Parks Tax Fund,
- Library Tax Fund,
- Camps Fund,
- Measure GG Fund, and
- Measure FF Fund

Special Assessment Fund is a fund used to account for the financing of public improvements or services deemed to benefit primarily the properties against which special assessments are levied and include:

- Clean Storm Water Fund and
- Streetlight Assessment District Fund.

Enterprise Funds are funds used to finance and account for the operation and maintenance of facilities and services that are predominately self-supporting by user charges, which is a fee charged in exchange for goods or services and include:

- Permit Service Center Fund,
- Zero Waste Fund,
- Sanitary Sewer Fund,
- Off-Street Parking Fund,
- Parking Meter Fund, and
- Marina Enterprise Fund.

OVERALL ASSUMPTIONS AND FORECAST TRENDS

A number of these funds face shortfalls and require balancing measures to close these gaps. Revenue growth is limited by statutory “caps” on certain funds, specifically, the Clean Storm Water and the Streetlight Assessment funds since revenues have been essentially frozen since the passage of Proposition 218. Several “special tax” revenue funds are limited in terms of revenue growth to the either the higher of the rate of inflation (i.e. Bay Area Consumer Price Index (CPI) or the Per Capita Personal Income Growth (PIG). For FY 23, the PIG increase of 7.55% was higher than the CPI increase of 4.99% and was used for all of the tax rate increases except for the Paramedic Tax, which is tied to the CPI. The City has no discretion in increasing revenues in these funds without voter approval. The impacts of the economy on some of these enterprise funds have caused significant revenue losses in the past. ARPA funding has aided in lessening the revenue losses to these funds but the negative long-term impact to the overall health of the funds are projected. Nonetheless, expenditures within these funds have increased as a result of many of the same factors that impact the General Fund (e.g., salary cost-of-living increases, health benefit costs and retirement costs).

CAMPS FUND

The Playground Camps Fund is a special revenue fund established to account for the revenue and expenses to operate and maintain the City's resident camps and day camp, including Berkeley Tuolumne Camp (BTC), Echo Lake Camp, Cazadero Camp and Berkeley Day Camp. Revenues from these camps are expected to cover operations, maintenance and capital costs, as well as scholarships for camp participants.

ANALYSIS OF CAMPS FUND

Since the Berkeley Tuolumne Camp (BTC) was destroyed in the Rim Fire in 2013, the Camps Fund has had a persistent structural deficit, as BTC revenue was no longer available to offset the losses in the City's other camp programs at Echo Lake Camp, Berkeley Day Camp, and Cazadero Camp. In the years since the fire, staff have worked to improve the cost recovery of the Fund's other camps and programs, but there continues to be a structural deficit of \$260,000/year. The Camps Fund is projected to remain solvent through the next budget cycle, but the structural deficit may exhaust fund balance by FY 25 depending on the performance of camp programs including the new Berkeley Tuolumne Camp.

CAMPS FUND FORECAST
with BERKELEY TUOLUMNE CAMP (BTC) PROJECT

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Fund Balance	20,733,248	17,613,473	13,650,422	13,650,422	3,994,111	3,738,585	3,482,335	3,220,960
Revenues								
Cazadero Rent	10,000	37,500	45,000	46,350	45,900	46,818	47,754	48,709
Cazadero Insurance	354,843	-	592,934	1,076,076	-	-	-	-
Echo Lake Registration	72,034	578,845	679,000	731,430	600,372	612,379	624,627	637,119
Echo Lake Donations	11,775	-	-	-	-	-	-	-
Tuolumne Registration	-	-	1,477,702	943,945	2,085,793	2,127,508	2,170,058	2,213,459
Tuolumne Sales	-	-	-	-	37,500	38,250	39,015	39,795
Tuolumne Misc. Overages	3	-	-	-	-	-	-	-
Tuolumne Insurance	3,597,947	13,601,625	8,724,719	5,800,000	282,621	292,993	-	-
Tuolumne Rentals	-	-	-	3,502	-	-	-	-
Tuolumne Donations	-	74,266	-	530,832	-	-	-	-
FEMA	-	567,858	-	193,770	-	-	-	-
Catastrophic Reserve	-	-	-	2,700,000	-	-	-	-
Day Camp Registration	59,641	315,075	249,500	367,466	289,239	295,024	300,924	306,943
Donations	-	-	-	2,706	-	-	-	-
ARPA Transfer In	-	-	1,035,000	1,035,000	-	-	-	-
Subtotal, Revenues	4,106,241	15,175,169	12,803,855	13,431,078	3,341,425	3,412,972	3,182,379	3,246,026
Expenditures								
Personnel	954,500	721,276	1,461,564	1,252,632	1,939,848	1,979,309	1,720,042	1,754,443
Non-Personnel	368,483	110,411	888,470	497,576	1,657,103	1,689,913	1,723,711	1,758,185
Capital Projects	5,903,033	18,306,533	11,500,000	21,337,181	-	-	-	-
Subtotal, Expenditures	7,226,016	19,138,220	13,850,034	23,087,389	3,596,951	3,669,222	3,443,753	3,512,628
Operating Income / Loss	-3,119,775	-3,963,051	-1,046,179	-9,656,311	-255,526	-256,250	-261,375	-266,602
Camps Fund Reserve Balance (with BTC Project)	17,613,473	13,650,422	12,604,243	3,994,111	3,738,585	3,482,335	3,220,960	2,954,358
Reserve Rate	429%	90%	98%	30%	112%	102%	101%	91%

Camps Fund Forecast Table | Assumptions

- Overall assumptions: Echo and Day Camp will run at regular capacity and BTC will reopen in summer 2022.
- Prior to the Rim Fire, the Camps Fund maintained a strong fund balance of close to \$1.5 million. BTC generated about \$550,000/year in net revenue for the Camps Fund, enabling the City to offset losses in other camps.
- Camps Fund programs now generally recover their costs, except for administrative personnel expenses. This is driving the structural deficit. If BTC increases occupancy beyond 75%, this will offset the structural deficit.
- The BTC rebuild project is expected to fully cover costs, (funded by insurance, FEMA and catastrophic loss).
- The BTC rebuild project is a \$54 million project funded by insurance, FEMA and the City's catastrophic loss reserve.
- Project revenue and expenditure is received and spent out of the Camps Fund.
- Projections assume Project is completed on schedule and within budget, with Camp reopening for the summer of 2022.
- The Cazadero dorm replacement project is expected to fully cover costs (funded by insurance).

Revenues

1. BTC revenue figures assume 75% occupancy each year.
2. All revenue increases 2% per year starting in FY 23.
3. In FY 22, \$2.7 million revenue was added from catastrophic reserve for BTC.
4. A \$1.035 million American Rescue Plan Act (ARPA) payment in FY 22 funded the Echo Lake Americans with Disabilities Act (ADA) project (\$705,000), which had been deferred due to COVID-related budget balancing in FY 21; and offset \$330,000 of COVID-related revenue losses.

Expenditures

1. All expenditures escalate 2% per year starting in FY 25.
2. FY 2023 Adopted expenditures do not include carryover of FY 2022 non-personnel operating and capital budget. Non-personnel carryover is estimated at \$510,000 and capital carryover is estimated to be \$5.27 million.

CLEAN STORM WATER FUND

The Clean Storm Water fund provides the funding for the maintenance and improvement of the City's storm water drainage system to reduce the pollutants in storm water from entering local creeks and the Bay. Revenue to this fund is from the collection of fees charged to every owner of real property in the city of Berkeley and is collected through property taxes.

ANALYSIS OF CLEAN STORM WATER FUND

Prior to FY 19, Clean Storm Water Fund revenues were fee-supported and are capped at 1996 levels by Proposition 218, set at flat \$34 fee per year. The revenues generated by this fee were no longer sufficient to pay for the Clean Storm Water program. The City conducted a Proposition 218 rate increase process that was approved by the voters and the City Council. The new fees generated by the 2018 Clean Storm Water Fee are shown as separate line item on property tax bills from the 1991 Clean Storm Water Fees. The fee is subject to an annual adjustment based on the Consumer Price Index in future years, up to 3% per year.

CLEAN STORM WATER FUND FORECAST

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Balance	2,812,874	5,617,025	7,568,154	7,568,154	9,446,739	7,742,360	6,435,557	5,736,364
Revenues	4,346,423	4,479,340	3,991,967	4,333,778	4,419,311	4,551,890	4,688,447	4,829,100
Clean Storm Water Fees	4,010,814	4,175,384	3,991,967	4,318,996	4,419,311	4,551,890	4,688,447	4,829,100
Interest	41,901	1,437	-	14,782	-	-	-	-
University in Lieu (LRDP)	293,708	302,519	-	-	-	-	-	-
Expenditures	1,542,271	2,528,211	4,899,517	2,455,193	6,123,690	5,858,692	5,387,640	5,526,340
Personnel	786,266	1,023,608	1,747,128	1,146,895	1,784,281	1,835,045	1,908,447	1,984,785
Non-Personnel	754,960	743,422	3,152,389	1,232,961	2,013,954	2,018,192	2,078,738	2,141,100
Capital Improvement Projects	1,045	761,181	-	75,338	2,325,455	2,005,455	1,400,455	1,400,455
Annual Surplus/Shortfall	2,804,152	1,951,129	-907,550	1,878,585	1,704,379	1,306,802	-699,193	-697,240
Ending Balance	5,617,026	7,568,154	6,660,604	9,446,739	7,742,360	6,435,557	5,736,364	5,039,124

Clean Storm Water Fund Forecast Table | Assumptions

Revenues

- Projected Clean Storm Water fees include a 3% increase over the prior year.
- The University of California Long Range Development Plan (UC LRDP) agreement has changed. The LRDP will include other infrastructure near the University.

Expenditures

- Personnel excludes project expenditures, which are included in the CIP instead, as part of the project budget. FY 2022 Projected Non-personnel assumes all project budgets will be fully spent throughout the life of the project
- FY 2023 Projected Non-personnel includes baseline program budgets for green-infrastructure, major repairs, and \$750,000 for the watershed management & master plan update, plus one-time \$600,000 for continuing Wildcat Canyon repairs. \$245,000 is contributed to information technology and roughly \$160,000 is for payment to the State Water Resources Control and to Alameda County Clean Water Program.
- FY 24 and FY 25 Project Non-personnel CIP is for baseline storm water program budgets.
- Storm CIP expenditures in FY 2025 and beyond will be reset pending the completion of the Stormwater Master Plan.

LIBRARY TAX FUND

The Library Tax Fund provides funding for the Berkeley Public Library system. The primary source of revenue to the fund is the Library Tax, which was originally established in 1980 and reauthorized in 1988. The City Council sets the tax rate annually through an ordinance and the tax rate is indexed to the greater of either the Bay Area Consumer Price Index or the per capita Personal Income Growth in California. Revenue is based on a square footage calculation and is collected through the property tax bill. Additional revenue to this fund includes the collection of library fees.

ANALYSIS OF FUND

The Library Tax Fund, although maintaining a positive fund balance over the next few years, is facing an annual operating shortfall (last occurrence was in FY 2008) as infrastructure maintenance and improvement projects are addressed and post-COVID-19 adjustments to delivery of library services are implemented. Commencing FY 22, reserves are lowered from \$1.5 million to \$1.25 million, reflecting approximately 6% of tax receipts as the basis of the reserves level is modified to a percentage of proposed adopted revenues from a fixed amount.

LIBRARY TAX FUND FORECAST

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Balance	10,266,639	12,027,796	13,187,635	13,187,635	17,493,241	16,864,762	16,448,567	15,544,076
Revenues	20,487,115	20,715,377	21,845,999	22,582,302	23,909,768	24,386,523	24,872,813	25,368,830
Library Services Tax	20,431,021	20,596,293	21,704,603	22,429,364	23,837,768	24,314,523	24,800,813	25,296,830
Fines & Fees	26,477	17,688	40,000	16,147	40,000	40,000	40,000	40,000
Miscellaneous and Interest	29,617	101,396	101,396	136,791	32,000	32,000	32,000	32,000
Expenditures	18,725,958	19,555,538	25,037,858	18,276,696	24,538,247	24,802,718	25,777,305	26,135,537
Personnel	13,352,627	12,972,590	15,931,595	12,789,864	17,595,960	17,560,431	17,911,640	18,269,872
Non-Personnel	4,669,368	4,145,856	5,786,263	4,741,669	6,097,287	6,097,287	6,116,665	6,116,665
Capital Improvement Projects	703,964	2,437,092	3,320,000	745,163	845,000	1,145,000	1,749,000	1,749,000
Annual Surplus/Shortfall	1,761,157	1,159,839	-3,191,859	4,305,606	-628,479	-416,195	-904,491	-766,708
Ending Balance	12,027,796	13,187,635	9,995,776	17,493,241	16,864,762	16,448,567	15,544,076	14,777,368

Library Tax Fund Forecast Table | Assumptions

Revenues

- FY 22 - FY 23, Beginning Balance includes proposed reserves of \$1.25 million.
- FY 24 - FY 25, Beginning Balance includes proposed reserves of \$1.36 million.
- FY 2023 Adopted Tax Revenues include a 7.55% increase based on the Personal Income Growth Rate increase. The FY 2023 tax rate was officially set by Council on June 14, 2022. FY 2024 & FY 2025 assume a 2% increase.

Expenditures

- FY 2023 and beyond, Library plans to greatly reduce the vacancy rate and adding staff will increase actual personnel expenditures and costs associated with maintaining an nourishing work environment.
- FY 2024/25, Library plans to establish a permanent CIP fund to actively show how we will cover repairing and maintaining both tangible and intangible infrastructures.
- FY 2023 and FY 2024, projects execution of other deferred capital improvement projects including Central Library A/C units replacement and reroofing. Other project anticipated relate to IT infrastructure such as the website and longer-term needs assessment.

STREET LIGHT ASSESSMENT DISTRICT FUND

The Streetlight Assessment District Fund provides for maintenance of the City's 8,011 streetlights along the public streets, parking lots, pathways, recreation facilities, and marina. Also, it is to be used for installation or construction of public lighting facilities. Revenue to this fund is collected through annual property taxes and is capped by Proposition 218, allowing for no rate increase to this assessment without voter approval.

ANALYSIS OF STREET LIGHT ASSESSMENT DISTRICT FUND

Property owners and the City Council approved a new 2018 Streetlight Assessment District that is shown as a separate line on the property tax bills. The Proposition 218 revenue increase provides additional revenue to support the program and maintain service levels. The approved ballot measure also allows for an inflation adjustment based on the Consumer Price Index, but no more than 3% per year. The inflation index can be applied to the sum of the 1982 and 2018 assessments. In FY 22, Public Works initiated an annual capital improvement projects for the street light program. Accumulated fund balance is mostly due to compounding salary savings from freezing and vacant positions. As the work on the streetlight deferred maintenance and capital plan ramps up, frozen positions will be reassessed.

STREET LIGHT ASSESSMENT FUND FORECAST

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actuals	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Balance	1,770,822	1,864,463	2,069,532	2,069,532	2,391,348	1,319,557	259,342	-257,398
Revenues	1,933,921	1,956,354	2,240,939	2,050,426	2,240,939	2,240,939	2,212,731	2,212,731
St Lt Assmt. District 1982 and St Lt Maintenance and Improvement District 2018	1,925,567	1,955,910	2,240,939	2,045,970	2,240,939	2,240,939	2,212,231	2,212,231
Misc. Revenue (Damage to City Prop, Elec. St. Lt. Insp., Caltrans, Gain/Loss)	1,836	-	-	459	-	-	-	-
Interest	6,518	444	-	3,997	-	-	500	500
Expenditures	1,840,281	1,751,284	2,671,488	1,728,611	3,312,730	3,301,154	2,729,471	2,775,919
Personnel	438,880	394,969	996,770	535,611	1,155,471	1,116,536	1,161,198	1,207,646
Non-Personnel	1,401,401	1,106,315	1,674,718	1,193,000	1,764,461	1,791,820	1,175,475	1,175,475
Capital Improvement Projects	-	250,000	-	-	392,798	392,798	392,798	392,798
Annual Surplus/Shortfall	93,641	205,070	-430,549	321,816	-1,071,791	-1,060,215	-516,740	-563,188
Ending Balance	1,864,463	2,069,532	1,638,983	2,391,348	1,319,557	259,342	-257,398	-820,586

Street Light Assessment Fund Forecast Table | Assumptions

Revenues

- The majority of the revenue is received in December and again in late March through April through property taxes.
- The Streetlight Maintenance and Improvement District 2018 was approved and established in June 2018 with first billing in FY 19 County tax roll.
- FY 2020 and forward projected shows new assessment of \$500,000 annually plus 3% increase per year.
- FY 2021 and forward projected shows an increase in the Street Light Assessment District 1982 plus 3% increase per year. The amount of increase will not exceed already approved ceiling.

Expenditures

- FY 2020 and forward Projected assumes 4% increase over previous year projected to evaluate the effects of possible personnel increases (such as steps, PERS, Worker's Comp, and other benefits) on the fund.
- FY 2020 and forward Projected shows a decrease in the Other Personnel due to IT cost shifting from personnel cost to interfund transfer out.

Street Light Assessment Fund Forecast Table | Assumptions (continued)

- Fund balance is mostly due to compounding salary savings from freezing of vacant positions. As the work on the streetlight deferred maintenance and capital plan ramps up, frozen positions will most likely be filled.
- Forecast budget shown here assumes full expenditure of salary/benefits, but salary savings are anticipated to cover fund balance overages in FY 2025/2026.
- Debt service payment to California Energy Commission for the LED loan ends in 2025.
- FY 2021 and forward projected assumes 3% increase over previous years projects for CPI.

Historical Forecast Notes:

Street lighting special assessment district to be used for maintenance and/or servicing of existing and future public lighting facilities, and the installation or construction of public lighting for the maintenance of servicing thereof, including grading, cleaning, removal of debris, the installation of curbs and gutters, walls, sidewalks or paving or water, irrigation, drainage, or electrical facilities.

PERMIT SERVICE CENTER FUND

The Permit Service Center Fund serves as the fund for the collection of zoning fees, building fees, and plan check fees. The fees are established by the City Council through a public hearing and adoption of a resolution establishing a fee schedule.

ANALYSIS OF PERMIT SERVICE CENTER FUND

The fund is maintaining a positive fund balance over the next few years but is facing an annual operating shortfall. Projected revenues for FY 22 and future years are conservative estimates based on the delayed impact of the pandemic to development activity and an unpredictable economic recovery. In addition, conservative estimates have also been made for personnel expenses and will likely be adjusted downward to manage and prioritize programs in light of a quickly changing landscape and as revenue is actualized.

PERMIT SERVICE CENTER FUND FORECAST

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Balance	12,643,651	15,416,133	18,739,183	18,739,183	29,319,363	28,084,783	25,433,195	23,665,993
Revenues	20,491,391	20,555,517	14,997,428	28,838,142	20,746,600	19,709,270	20,103,455	20,103,455
Revenue from PSC	20,491,391	20,555,517	14,997,428	28,838,142	20,746,600	19,709,270	20,103,455	20,103,455
Expenditures	17,718,909	17,232,467	20,692,553	18,257,962	21,981,180	22,360,858	21,870,657	21,294,792
Personnel	12,209,283	12,277,996	14,640,738	12,558,778	15,272,399	15,627,433	14,876,915	15,121,238
Non-Personnel	5,509,626	4,954,471	6,051,815	5,699,184	6,708,781	6,733,425	6,993,742	6,173,554
Annual Surplus/Shortfall	2,772,482	3,323,050	-5,695,125	10,580,180	-1,234,580	-2,651,588	-1,767,202	-1,191,337
Ending Balance	15,416,133	18,739,183	13,044,058	29,319,363	28,084,783	25,433,195	23,665,993	22,474,656

Permit Service Center Fund Forecast Table | Assumptions

Revenues

- FY23-FY24 Adopted Revenue figures are based on YTD Actuals; an estimated percentage of project valuation of large-, medium-, small-project applications submitted; and projects in final stages of permitting.
- Revenue projections for FY25-FY26 are based on: 1) FY23 & FY24 projected revenues; 2) 7-10-year cyclical development pattern starting from last pre-pandemic economic downturn; 3) land use permit applications submitted; 4) anticipated development activity with a 3% inflationary cost of project valuation, integrated with labor shortages, lingering supply chain issues, and an increase in CPI, interest rates, and inflation, all of which could impact development activity.
- Assumed 2% increase in revenue projection in FY 25, and projection remains the same in FY 26.

Expenditures

- Projected personnel expenditures are based on FY22 actual expenditures with 3% annual increase. FY25, FY26 assume a vacancy rate similar to the average for FY22
- Non-personnel expenditures are based on FY22 budgeted expenditures with a 3% annual increase.
- Adopted FY23 and FY24, Non-Personnel figures are based on baseline budget increases, and does not include newly approved budget asks, except for the new digital permitting system replacement project; and includes a rough est. of \$500,000 for non-Departmental non-personnel expenditure.

SANITARY SEWER FUND

Sanitary sewer fees pay for the costs of operation, maintenance, rehabilitation and improvement of the City's sanitary sewer collection system and comply with requirements imposed by the Consent Decree entered into with the Environmental Protection Agency (EPA) in July 2014. Sewer service fees are charged to users of the City's sanitary system and are calculated on each hundred cubic feet of water used by each water account serving the premises as established by City Council Resolution. Sewer fees are collected through the payment of the property water bill (e.g., East Bay Municipal Utilities District [EBMUD]).

ANALYSIS OF SANITARY SEWER FUND

Sanitary Sewer Fund Rate increases approved by City Council June, 2015 expired June 30, 2020. A Sanitary Sewer Master Plan is in progress to evaluate Sanitary Sewer construction and operations programs to determine if future rate increases may be necessary. Current drought conditions may negatively impact revenue collections depending upon the degree of water conservation achieved by City of Berkeley residents and Commercial businesses. The Sanitary Sewer Fund is an enterprise fund that fully supports the operating and capital cost of the Sanitary Sewer program. While projected to maintain a positive fund balance through FY 2024, the fund is showing a structural deficit trend that started in FY 20 due to high capital costs, and without a rate adjustment will run negative by the end of FY 25.

SANITARY SEWER FUND FORECAST

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Balance	26,027,896	25,918,159	34,858,702	34,858,702	34,771,171	24,531,620	16,752,823	2,081,996
Revenues	23,881,952	26,449,634	24,986,977	23,709,761	24,986,977	24,986,977	24,986,977	24,986,977
Sewer Fees EBM	22,162,348	25,455,631	23,974,000	20,493,580	23,724,000	23,724,000	23,724,000	23,724,000
Connection Fees	1,365,653	957,672	750,000	2,845,202	1,000,000	1,000,000	1,000,000	1,000,000
Misc. Fees	6,412	7,235	5,000	-	5,000	5,000	5,000	5,000
Interest	347,539	29,096	257,977	370,979	257,977	257,977	257,977	257,977
Expenditures	23,991,689	17,509,091	30,058,492	23,797,292	35,226,528	32,765,773	39,657,804	37,701,776
Personnel	7,931,074	7,613,951	9,852,775	8,129,239	10,437,976	10,665,701	11,092,329	11,536,022
Non-Personnel	4,842,752	4,416,603	3,440,653	4,844,264	3,924,228	3,957,257	4,075,975	4,198,254
Capital Improvement Projects	11,217,863	5,478,537	16,765,064	10,823,788	20,864,324	18,142,815	24,489,500	21,967,500
Annual Surplus/Shortfall	-109,737	8,940,543	-5,071,515	-87,531	-10,239,551	-7,778,796	-14,670,827	-12,714,799
Ending Balance	25,918,159	34,858,702	29,787,187	34,771,171	24,531,620	16,752,823	2,081,996	-10,632,803

Sanitary Sewer Fund Forecast Table | Assumptions

Revenues

- No rate increases implemented due to COVID-19.
- No future rate increases implemented until the completion of a Sanitary Sewer Master Plan (estimated 2023) and determination of potential impacts to fund.

Expenditures

- FY 23 personnel and forward includes a 4% increase over *Projected* (using 3-year average of FY20-22 actuals) to evaluate the effects of possible personnel increases (such as steps, PERS or Worker's Comp) on the fund.
- Projected Sewer Capital Improvement Program reflects the estimated total progress payments, not the projected total to be encumbered.
- FY 25 Projected reflects the annual sewer program budget.
- FY 25 Projected reflects a 3% increase over the FY 21 Projected architectural and engineering services and miscellaneous professional services.

ZERO WASTE FUND

The Zero Waste Fund supports activities related to the removal of waste in the City of Berkeley. Fees for disposal of waste at the City's transfer station and refuse fees charged to owners of premises and places in the City from which garbage is collected generate revenue to this fund. Refuse charges are either collected through the payment of property tax bills or directly paid to the City of Berkeley. Refuse collection fees are established by resolution of the City Council and the conduct of a majority protest process under Proposition 218. Fee amounts are currently determined by the size and number of receptacles, and the frequency of service.

ANALYSIS OF ZERO WASTE FUND

Rate increases to the Zero Waste Fund were last approved via the Proposition 218 process in May 2014, with the final scheduled rate increase effective in FY 19. A rate study was conducted in FY 22 to evaluate the current rate and any adjustments needed to sustain future Zero Waste Operations, including cost recovery for recycling collection and addressing capital needs at the Transfer Station. The fund maintains a positive fund balance but is projecting an annual operating shortfall over the next few years due to permitting and environmental review costs for the Transfer Station Replacement project.

ZERO WASTE FUND FORECAST

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Balance	20,079,053	24,357,285	25,068,985	25,068,985	26,345,816	16,935,865	4,452,654	-7,282,293
Revenues	48,383,847	44,817,257	46,767,263	48,570,066	46,767,263	46,767,263	47,867,263	47,867,263
Residential Collection	16,443,956	15,631,961	15,715,836	16,575,633	15,715,836	15,715,836	15,715,836	15,715,836
Commercial Collection	17,993,460	16,132,053	16,600,482	17,344,301	16,600,482	16,600,482	16,600,482	16,600,482
Transfer Station	8,182,926	7,693,396	8,513,516	8,439,462	8,513,516	8,513,516	9,613,516	9,613,516
Franchise Fees	235,868	414,545	337,644	493,244	337,644	337,644	337,644	337,644
Recycling Fee	243,645	146,395	133,447	322,540	133,447	133,447	133,447	133,447
Recycling Food Waste	3,053,307	2,611,757	3,053,307	2,918,384	3,053,307	3,053,307	3,053,307	3,053,307
City Interdepartmental	1,144,732	1,256,940	1,144,732	1,357,972	1,144,732	1,144,732	1,144,732	1,144,732
Exempt Agencies	416,055	240,520	412,211	335,703	412,211	412,211	412,211	412,211
Misc. Revenue	669,898	689,691	856,088	782,827	856,088	856,088	856,088	856,088
Expenditures	44,105,616	44,105,557	56,648,952	47,293,235	56,177,214	59,250,474	59,602,210	66,476,226
Personnel	19,532,818	19,417,691	22,021,155	20,923,681	22,126,448	22,687,456	23,594,954	24,538,752
Non-Personnel	24,572,798	24,687,867	34,627,797	26,369,553	34,050,766	36,563,018	31,007,256	31,937,474
Capital Improvement Projects	-	-	-	-	-	-	5,000,000	10,000,000
Annual Surplus/Shortfall	4,278,232	711,700	-9,881,689	1,276,831	-9,409,951	-12,483,211	-11,734,947	-18,608,963
Ending Balance	24,357,285	25,068,985	15,187,296	26,345,816	16,935,865	4,452,654	-7,282,293	-25,891,256

Zero Waste Fund Forecast Table | Assumptions

Revenues

- Residential & Commercial Rate no increases through 2026. 5-year rate schedule went to Council December 7, 2021. Rate increases have not been approved by Council.
- Transfer Station – New Transfer Station fees August 1, 2022 project \$1.1 million annual increase.
- Commercial customers have been requesting collection fee waivers or service reductions due to impacts of COVID-19. Will need to revisit as the situation progresses.
- Franchise agreements extended indefinitely.
- Misc. Recycling in previous years included Material Sales & Food Waste Revenue, now includes revenue from the sale of scrap metal.
- City Interdepartmental and Exempt Agencies, FY 23 and forward assumes no increase over the previous fiscal year projected.

Zero Waste Fund Forecast Table | Assumptions (continued)

- Exempt Agencies - FY 2023 and forward assumes no increase over the previous fiscal year projected.

Expenditures

- FY 23 personnel and forward includes a 4% increase over Adopted to evaluate the effects of possible personnel increases (such as steps, PERS or Worker's Comp) on the fund.
- Contracts: a) Waste Management landfill - option for 5-year extension exercised through December, 2026. b) Recology - New contract extended through March 2025; annual increases equal to CPI c) New \$30 million CCC contract for recyclables processing through June, 2031. New \$50 million Ecology Center contract for residential curbside recycling through June 2031.
- Capital Improvements: Preliminary Transfer Station Redesign in progress.
- Recycling Facilities and Transfer Station Feasibility Study (pre CEQA) for replacement and integration completed FY 21.
- Strategic Plan to prepare City to reach Zero Waste Goal est. cost \$ 500,000, moved out to FY 23.
- CEQA (California Environmental Quality Act) process start November, 2022 budget est. cost \$ 4,000,000 - 5,000,000, est. completion date mid-2023.
- Complete final design & engineering plans for construction cost \$3,000,000-4,000,000, 2023.
- Geotechnical investigation, dependent on final design, \$750,000 to 1,000,000, mid-2023 to 2024.
- Construction start, budgetary est. \$ 50,000,000 - 65,000,000 (based upon final design/construction plans) late 2023/early 2024. Expected completion date late 2027. We are showing a \$10M commitment from the ZW Fund here in FY 25-26 with bonding likely for the remainder.

OFF-STREET PARKING FUND

The Off-Street Parking Fund is an enterprise fund used for capital, operation, and maintenance of off-street parking facilities (garages). The City of Berkeley owns three garages (Center Street Garage, Oxford Garage, and Telegraph Channing Garage).

The rates for the garages follow the goBerkeley program which governs demand-responsive parking and Transportation Demand Management (TDM). The Off-Street Parking Fund pays back the debt service of 2016 Revenue Bond to fund the replacement of the Center Street Garage. The Center Street Garage Reconstruction project was completed in October 2018 and the grand opening in November 2018. The first full debt service payment for the revenue bond was made in FY 2020. The Off-Street Parking Garage Fund is required to have a 1.25 Debt Service Coverage Ratio.

ANALYSIS OF OFF-STREET PARKING FUND

In FY 2019, the Center Street garage reopened with demand slow to return as the garage was closed due to construction for about two years. In FY 2020, demand and revenue increased closer to staff projections until the March 2020 COVID-19 Pandemic shelter in place order. The impact of this event on the fund was immediate, severe, and is still ongoing. The fund started FY 2022 with a negative fund balance and continues to the out years. These projections are dependent on the length of the pandemic, economic recovery, and the American Rescue Plan Act and will be updated frequently. Annual revenues stayed flat in FY 2020 compared to FY 2019 due to ramped up activity at the Center Street Garage up until March 2020, but were severely down in FY 2021 and FY 2022 to 38%, and 74% respectively, compared to FY 2019 levels. These revenue impacts have led to a depletion of fund balance as well as requiring \$1.9M in General Fund support in FY 2021 to pay for the Garage debt service and \$3.94M in American Rescue Plan Act funds transferred in to sustain parking operations in FY 2022. Revenues are projected to recover to 100% of 2019 levels by FY 2023, however, this puts the Center Street Garage four years behind planned revenue growth, and the fund balance is projected to be negative starting FY 2023 and the outward years.

OFF-STREET PARKING FUND FORECAST

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actuals	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Balance	2,235,776	-1,215,101	-356,678	-356,678	681,143	-1,984,499	-3,832,361	-5,690,123
Revenues	3,732,045	3,525,994	6,165,769	7,141,366	4,124,985	5,091,895	5,140,493	5,397,518
Center Street Garage	2,155,054	1,102,701	1,199,750	1,928,925	2,298,056	3,297,011	3,311,649	3,477,231
Telegraph/Channing Garage & Mall	1,116,502	500,993	731,964	1,076,178	1,197,058	1,218,208	1,227,701	1,289,086
Oxford Garage	451,489	3,051	284,499	186,021	423,884	570,689	584,943	614,190
Surface Lots	9,000	9,000	9,556	10,242	5,987	5,987	16,200	17,010
1x Transfer-in for Debt Service from GF	-	1,910,250	-	-	-	-	-	-
American Rescue Plan Act Transfer	-	-	3,940,000	3,940,000	200,000	-	-	-
Expenditures	7,182,922	2,667,572	4,631,236	6,103,545	6,790,627	6,939,757	6,998,255	7,213,241
Personnel	436,750	479,805	443,194	453,321	525,768	537,045	503,791	523,943
Non-Personnel	6,746,172	2,187,767	4,188,042	5,650,225	6,264,859	6,402,712	6,494,464	6,689,298
Annual Surplus/Shortfall	-3,450,877	858,423	1,534,533	1,037,821	-2,665,642	-1,847,862	-1,857,762	-1,815,723
Ending Balance	-1,215,101	-356,678	1,177,855	681,143	-1,984,499	-3,832,361	-5,690,123	-7,505,846

Off-Street Parking Fund Forecast Table | Assumptions

Revenues

- Center Street Garage project a slow ramp up of average monthly Pre-COVID revenue. The fund had a negative fund balance in FY 2020 and FY 2021 and is projected to be negative in FY 2023 and future years.
- American Rescue Plan Act (ARPA) allocations were \$3.94 million in FY 22, \$200,000 for FY 23 (planned).
- FY 2025 and FY 2026 Projected assumes a five percent increase in revenue from previous year.

Expenditures

- Assumes Off-Street Fund pays the debt service for the garage bond, resuming in FY 22 and ongoing.
- FY 2025 and FY 2026 Projected assumes a four percent increase in personnel from previous year.
- FY 2025 and FY 2026 Projected assumes a three percent increase in non-personnel from previous year.

PARKING METER FUND

Parking Meter revenue is generated through payments made by hourly parkers using “pay and display” parking meters and single space parking meters from the City’s eight parking meter routes. This enterprise fund provides the funding for the maintenance, collection, capital, and enforcement of parking meters. The Parking Meter Fund is the secondary surety in the Parking Revenue Bonds, Series 2016 (for the Center Street Garage Reconstruction Project).

ANALYSIS OF PARKING METER FUND

Prior to the COVID-19 pandemic, the Parking Meter Fund maintained a healthy fund balance, and averaged over \$10 million (2016-2019) in annual revenue. The COVID-driven impacts on the fund have been immediate, severe, and remain ongoing. FY 2020-2022 annual revenues were down at 70%, 40%, and 75% respectively, compared to FY 2019 levels, triggering a depletion of fund balance, as well as requiring \$3.2 million in General Fund support in FY 2021 and \$4.34 million in American Rescue Plan Act funds to sustain parking operations in FY 2022. Revenues are projected to recover to 94% of 2019 levels by FY 2024, however, fund balance will not have grown sufficient to fund the needed replacement of citywide parking meters unless other fund sources are identified.

PARKING METER FUND FORECAST

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Balance	4,990,946	3,208,091	1,852,652	1,852,652	3,230,799	4,726,112	4,040,713	3,611,158
Revenues	7,350,026	4,254,749	8,974,259	11,312,939	12,052,490	9,712,789	10,296,622	10,811,453
Parking Metered	7,016,029	3,894,371	4,289,251	6,956,889	9,007,482	9,367,781	9,840,136	10,332,143
Point-to-Point Vehicle Share	307,505	354,643	344,991	-	344,991	344,991	414,882	435,626
All Other	26,492	5,735	17	16,050	17	17	41,604	43,684
American Rescue Plan Act Transfer	-	-	4,340,000	4,340,000	2,700,000	-	-	-
Expenditures	9,132,881	5,610,188	10,006,409	9,934,791	10,557,178	10,398,188	10,726,177	11,109,489
Personnel	5,019,203	2,608,923	5,450,176	5,454,220	5,703,425	5,841,955	6,152,680	6,398,787
Non-Personnel	4,113,678	3,001,265	4,556,233	4,169,121	4,853,753	4,556,233	4,573,497	4,710,702
Capital Improvement Projects	-	-	-	311,450	-	-	-	-
Annual Surplus/Shortfall	-1,782,855	-1,355,439	-1,032,150	1,378,148	1,495,312	-685,399	-429,555	-298,036
Ending Balance	3,208,091	1,852,652	820,502	3,230,799	4,726,112	4,040,713	3,611,158	3,313,122

Parking Meter Fund Forecast Table | Assumptions

Revenues

- Berkeley Way Lot closed permanently June 2020.
- COVID-19 Shelter-at-Home that started in March 2020 severely impacted the Parking Meter Fund revenue.
- Meters shut-down during Shelter-at-Home, re-opened for business June 1, 2020. Enforcement restarted July 2020.
- FY 21 and FY 22 project a slow ramp up to 90% average monthly pre-COVID revenue by June 2022, 100% in FY 23.
- FY 2023 Adopted Budget includes a \$2.7M allocation from ARPA funds for On-Street Parking operations.

Expenditures

- Assumes Police Department Parking Enforcement Officers and Police Department Non-personnel continue to be paid from the fund after resuming in FY 22.
- Parking Meter Replacement Project planned in FY 23 but funding is not available (\$7M needed, split over two years). Cannot fund due to shortage in Off-Street Fund, On-Street fund surplus backstops operation deficit.
- Non-Personnel includes annual \$1.75M Transfer out to 011, resuming in FY 22.
- Personnel cost in FY 2025 and FY 2026 includes a four percent increase from prior years.
- Non-personnel cost in FY 2025 and FY 2026 includes a three percent increase from prior years.

PARKS TAX FUND

The Parks Tax is a special tax charged to Berkeley property owners on a square foot basis and is used to fund the maintenance of parks, city trees, and landscaping in the City of Berkeley. Berkeley voters approved the tax in May 1997 to replace the Landscape Assessment District. The tax rate was initially set by the voters and was adjusted annually based on the Consumer Price Index (CPI). In the November 2014 election, voters approved a 16.7% increase to the Parks Tax and approved allowing the annual adjustment to the tax rate to be indexed to greater of either the CPI or the per capita Personal Income Growth in California. Revenue is based on a square footage calculation and is collected through the property tax bill.

ANALYSIS OF PARKS TAX FUND

The passage of Measure F in 2014 helped to stabilize the Parks Tax Fund, increased funding for capital to \$1 million/year, and established funding for minor maintenance (\$450,000). Following COVID-19, the Fund absorbed additional landscape costs from the Marina Fund and Sports Field Operations Fund, whose revenues were significantly impacted by COVID-19. Many capital projects that were planned and funded in prior years are now under construction or will be in FY 23-24. This swell in capital projects - along with COVID impacts - have decreased the fund balance, and reserves are projected to be close to 10% in FY23-27.

PARKS TAX FUND FORECAST

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Fund Balance	7,080,688	6,298,235	4,396,834	4,396,834	4,858,857	5,475,010	6,379,595	7,299,132
Revenues								
Interest Investment Pool	72,290	1,254	2,000	9,743	2,000	2,000	4,000	4,000
Sidewalks								
Tax Revenue ⁽¹⁾	13,890,512	14,507,783	15,320,468	15,787,443	16,791,663	17,127,496	17,470,046	17,819,447
Lease Rents (various, misc.)	23,006	14,562	20,000	29,432	20,000	20,000	20,000	20,000
Misc. (Rental Insurance, Tree Donation, etc.)	13,123	6,498	-	-	-	-	-	-
Park & Rec Fees (park reserve)	19,136	55,376	24,000	174,586	50,000	50,000	51,000	52,000
Park & Rec Fees (misc. charges)	-	-	-	4,000	-	-	-	-
Park & Rec Fees (misc. rev-other)	-	-	-	109	-	-	-	-
Park Bench Donation	7,500	-	-	67,642	-	-	-	-
Insurance Payments		148,707	-	-	-	-	-	-
Subtotal, Revenues	14,025,567	14,734,180	15,366,468	16,072,955	16,863,663	17,199,496	17,545,046	17,895,447
Expenditures								
Personnel	9,351,125	9,304,486	9,154,514	9,385,329	10,765,039	11,075,516	11,297,026	11,522,967
Non-Personnel	3,291,556	3,328,630	3,393,486	3,357,746	3,667,471	3,704,395	3,778,483	3,854,053
Minor Maintenance	969,195	410,646	450,000	318,951	450,000	450,000	460,000	470,000
Capital Projects	1,196,145	3,591,818	1,075,000	2,548,907	1,365,000	1,065,000	1,090,000	1,110,000
Subtotal, Expenditures	14,808,021	16,635,580	14,073,000	15,610,932	16,247,510	16,294,911	16,625,509	16,957,019
Operating Income / Loss	-782,454	-1,901,400	1,293,468	462,023	616,153	904,585	919,537	938,428
Ending Fund Balance	6,298,235	4,396,834	5,690,302	4,858,857	5,475,010	6,379,595	7,299,132	8,237,560
Reserve Rate	44.91%	29.84%	37.03%	30.23%	32.47%	37.09%	41.60%	46.03%

Parks Tax Fund Forecast Table | Assumptions

- The passage of Measure F in 2014 helped to stabilize the Parks Tax Fund, increased funding for capital to \$1 million/year and established funding for minor maintenance (\$450,000).
- Following COVID, the fund absorbed additional landscape costs from the Marina Fund and Sports Field Operations Fund, whose revenues were significantly impacted by COVID.
- Many capital projects that were planned and funded in prior years are now under construction or will be in FY 23-24. This swell in capital projects - along with COVID impacts - have decreased the fund balance, and reserves are projected to be close to 10% in FY 23.

Revenues

- Tax revenue in FY 23 assumes a 7.55% increase based on the Personal Income Growth Rate for FY 23. The FY 23 tax rate was officially set by Council on June 14, 2022. FY 24 & FY 25 assume a 2% increase.

Expenditures

- FY 23 & FY 24 Proposed Personnel include approved salary increases and assumed benefit increases.
- Capital and minor maintenance increase 2% starting FY 25.
- FY 23 Adopted revenue does not include projected additional insurance payment of \$50,000.
- FY 23 Adopted expenditures do not include carryover of FY 22 non-personnel operating and capital budget. Non-personnel carryover is estimated at \$204,000 and capital carryover is estimated to be \$2.26 million.

MARINA FUND

The Berkeley Marina area (Waterfront) is part of San Francisco Bay and therefore, the property is owned by the State of California. The City holds the Waterfront in trust for the State and by law the Waterfront is required to be a self-supporting financial entity. Fees generated from vessels that berth at the Marina, commercial building and ground leases and special events provide the revenue that funds the operations at the Berkeley Waterfront, including University Avenue and the Bay Trail, from Frontage Road to Marina Boulevard; and all land, infrastructure and Marina waters west of Marina Blvd. There are 100 acres of open space and parks, streets and pathways, 1,000 berths in the Berkeley Marina, a large hotel, 3 restaurants, bait shop, commercial office building, the Adventure Playground, Shorebird Nature Center, the Berkeley Marine Center boatyard, a 4-lane public launch ramp, 9 restroom buildings, and 11 parking lots.

ANALYSIS OF MARINA FUND

The Marina Fund is projected to exhaust all reserves in the next biennial budget. The Fund has struggled with a structural deficit for many years, but since COVID-19, lease revenues from the hotel, restaurants and commercial tenants have plummeted and berth revenues have remained flat. Costs have continued to escalate, and infrastructure has continued to deteriorate. Unfunded infrastructure needs at the Waterfront now exceed \$146 million. Even with the planned \$1.15 million in ARPA funds in FY23, there is an additional \$1.43 million needed to maintain Waterfront operations through FY24, and an ongoing structural deficit of \$1.2 million/year

MARINA FUND FORECAST

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Fund Balance	3,503,847	3,151,380	5,461,419	5,461,419	4,411,407	3,426,913	1,990,357	794,654
Revenues								
Damage to City	396	18	-	-	-	-	-	-
Short and Over	(1,078)	(112)	-	(20)	-	-	-	-
Interest Invest Pool	42,706	802	2,000	9,266	2,000	2,000	10,000	12,000
Marina Benches / Trees	3,400	0	6,800	20,400	6,800	6,800	6,800	6,800
Sewer Service/Marina	3,750	3,850	3,940	3,974	4,045	4,146	4,250	4,356
Live Aboard Fees	259,664	256,143	257,724	265,031	262,547	269,110	275,838	282,734
Launch Ramp	129,657	121,220	136,140	95,360	80,000	82,000	84,050	86,151
Dry Storage	105,928	105,671	103,969	108,278	108,313	111,021	113,797	116,641
Charter Boat Fees	113,012	66,935	56,506	101,013	82,000	84,050	86,151	88,305
Locker Rentals	9,523	20,773	51,666	20,773	21,292	21,824	22,370	22,929
EV Charging Stations	2,380	1,946	-	3,200	3,280	3,362	3,446	3,618
Miscellaneous	37,304	105,389	-	32,581	30,922	30,923	32,469	32,469
Fines & Penalties	76,835	64,319	72,225	66,074	64,319	64,319	64,319	64,319
Marina Leases	1,806,344	1,186,077	1,814,019	1,513,426	2,129,170	2,214,337	2,302,910	2,395,027
Berth Rentals	3,420,177	3,443,688	3,249,168	3,450,815	3,443,688	3,529,780	3,706,269	3,798,926
Special Event Parking	101,626	-	-	-	75,000	150,000	200,000	200,000
Playground Svc Fees	8,848	-605	4,534	-105	35,000	50,000	70,000	72,100
Nature Center Fees	9,240	-	4,735	-	15,000	25,000	40,000	41,200
Donations	284	-	146	-	1,500	1,538	1,576	750
Other Revenue	1,830	-	-	-	-	-	-	-
Misc. Fees (Doubletree Capital Payment)	-	3,000,000	-	-	-	-	-	-
Transfer from ARPA Fund	-	-	1,400,000	1,400,000	1,150,000	-	-	-
Subtotal, Revenues	6,131,825	8,376,115	7,163,572	7,090,066	7,514,876	6,650,210	7,024,245	7,228,326

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Expenditures								
Personnel	3,142,775	3,220,688	3,957,817	3,393,154	4,262,025	4,135,022	4,217,722	4,302,077
Non-Personnel (excludes debt svc & capital)	-	1,841,572	2,052,904	2,061,906	2,509,625	2,524,025	2,574,506	2,625,996
Capital Projects	782,038	345,016	350,000	2,018,847	650,000	350,000	350,000	350,000
Minor Maintenance	143,510	173,082	150,000	180,452	250,000	250,000	250,000	250,000
Principal Payment	180,579	188,059	197,546	197,546	305,391	319,346	333,212	354,236
Interest Payment	305,140	297,660	288,173	288,173	522,328	508,373	494,507	473,483
Subtotal, Expenditures	6,484,292	6,066,076	6,996,440	8,140,078	8,499,369	8,086,766	8,219,947	8,355,792
Operating Income / Loss	-352,467	2,310,039	167,132	-1,050,012	-984,493	-1,436,556	-1,195,702	-1,127,466
Ending Fund Balance	3,151,381	5,461,419	5,628,551	4,411,407	3,426,913	1,990,357	794,654	-332,812
Reserve Rate	51%	65%	79%	62%	46%	30%	11%	-5%

Marina Fund Forecast Table | Assumptions

- FY 21 operating income appears high because \$3 million payment for Marina streets was received as revenue, but the \$3 million in capital spending on that project happens in FY 22. Actual operating loss is approx. -\$700,000 in FY 21.
- ARPA funding received in FY 22 (\$1.4 million) and planned in FY 23 (\$1.15 million) will generally carry the Marina Fund through FY 23. Approx. \$1.45 million is needed to keep the Fund solvent through FY 24. After that, there is a structural deficit of approx. \$1.2 million/year.
- Berth rentals expected to remain flat in FY 22 and FY 23; increase 2.5% in FY 24 with annual fee increases; and increase 5% in FY 25 after D&E dock replacement.
- Marina lease revenue estimated to begin recovery in FY 22, but not to return to baseline levels until FY 25.
- FY 22 Personnel figures are lower than budgeted due to vacant positions. Expected to resume full staffing levels in FY 23. FY 24 Personnel is reduced by 1 project-based FTE.
- Personnel and Non-Personnel escalate by 2% starting in FY 25.
- Starting in FY 2023, assume additional \$342,000 in annual payments for \$5.5 million California Division of Boats and Waterways (DBAW) loan at 4.5% interest rate, 30-year term.
- Includes baseline of \$350,000/year in capital; \$250,000/year in minor maintenance.
- FY 2023 Adopted revenue does not include projected additional lease revenue of \$77,000.
- FY 2023 Adopted expenditures do not include carryover of FY 2022 non-personnel operating and capital budget. Non-personnel carryover is estimated at \$116,000 and capital carryover is estimated to be \$3.35 million.

MEASURE GG

Berkeley voters approved the Measure GG Fire and Disaster Tax in November 2008. The intent was to stop rotating fire station closures and to fund advanced life support personnel, equipment, and training. Voters also aimed to bolster community emergency response and disaster preparedness by providing training, equipment, and education to Berkeley community members. Chapter 7.81 of the Berkeley Municipal Code (BMC) authorizes the special tax, which went into effect January 1, 2009. Measure GG is a parcel tax. The City assesses the rate based on the square footage of taxable improvements on a property. The Measure allows Council to adjust the tax rate according to the Consumer Price Index in the San Francisco Bay Area or Per Capita Income Growth in the State of California, whichever is higher.

ANALYSIS OF MEASURE GG FUND

The Measure GG Fund is currently maintaining a healthy fund balance. Starting in FY 2023, radio replacement lease payments are budgeted for 7 years and total \$1,618,116. The fund reserves \$300,000 per year for additional communications equipment. The fund also maintains a \$300,000 fund balance for emergency purposes.

MEASURE GG FUND FORECAST

	FY2020 Actuals	FY2021 Actuals	FY 2022 Adopted	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Balance	2,593,648	2,718,312	2,799,523	2,799,523	3,003,857	3,550,660	4,178,287	4,836,917
Revenues	5,282,327	5,293,612	5,605,637	5,437,121	5,823,036	5,938,576	6,056,428	6,176,636
Special Assessment Tax	5,232,958	5,275,758	5,559,637	5,436,102	5,777,036	5,892,576	6,010,428	6,130,636
Reimbursement from Mutual Aid								
Deployment	5,727	17,854	-	-	-	-	-	-
Other Revenues	43,643	-	46,000	1,019	46,000	46,000	46,000	46,000
Expenditures	5,157,663	5,212,401	4,897,270	5,232,786	5,276,233	5,310,949	5,397,798	5,486,384
Personnel Costs	4,442,948	4,951,560	4,159,920	4,329,043	4,307,724	4,342,440	4,429,289	4,517,875
Non-Personnel	714,715	260,841	737,350	903,743	968,509	968,509	968,509	968,509
Annual Surplus/Shortfall	124,664	81,211	708,367	204,334	546,803	627,627	658,630	690,252
Ending Balance	2,718,312	2,799,523	3,507,890	3,003,857	3,550,660	4,178,287	4,836,917	5,527,169

Measure GG Fund Forecast Table | Assumptions

Revenue

- FY 2023 Adopted Tax Revenues include a 7.55% increase based on the Personal Income Growth (PIG) Rate increase. The FY 2023 tax rate was officially set by Council on June 14, 2022. FY 2024 & FY 2025 assume a 2% increase.
- FY 2025 and FY 2026 assume a 2.0% PIG increase

Expenditure

- Personnel Cost: Annual COLA increases of 2.0% for FY 2025 and FY 2026
- Non-Personnel Cost: Remain constant to FY 2024 adopted for FY 2025 and FY 2026

MEASURE FF

Measure FF was passed by Berkeley voters in November 2020. The revenue from this tax is used to fund firefighter and emergency medical response, upgrades to the 9-1-1 dispatch system, hazard mitigation, and wildfire prevention and preparedness activities.

Measure FF is a special parcel tax. The City assesses the rate based on the square footage of taxable improvements on a property. The Measure allows Council to adjust the tax rate according to the Consumer Price Index in the San Francisco Bay Area or Per Capita Income Growth in the State of California, whichever is higher.

ANALYSIS OF MEASURE FF FUND

The Measure FF fund is a very new fund as the City just started collecting in FY 2022. For FY 2022, the City was allowed to collect a year and a half of revenue which was close to \$12.7 million. Starting in FY 2023, revenues are for a regular full year are around \$8 million per year. The expenditure budget each year is also at \$8 million. The fund balance is healthy and is projected to grow in the coming years.

MEASURE FF FUND FORECAST

	FY 2022 Adopted	FY 2022 Revised	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Projected	FY 2026 Projected
Beginning Balance	-	-	-	8,809,479	9,253,479	9,706,559	10,258,368
Revenues	12,750,000	12,750,000	12,737,829	8,604,000	8,776,080	8,951,602	9,130,634
Special Assessment Tax	12,750,000	12,750,000	12,737,829	8,604,000	8,776,080	8,951,602	9,130,634
Expenditures	12,750,000	12,750,000	3,928,350	8,160,000	8,323,000	8,399,793	8,478,121
Personnel	2,998,874	1,772,879	1,414,076	3,933,509	3,839,638	3,916,431	3,994,759
Non-Personnel	9,751,126	10,977,121	2,514,274	4,226,491	4,483,362	4,483,362	4,483,362
Annual Surplus/Shortfall	-	-	8,809,479	444,000	453,080	551,809	652,512
Ending Balance	-	-	8,809,479	9,253,479	9,706,559	10,258,368	10,910,880

Measure FF Fund Forecast Table | Assumptions

Revenue

1. FY 2023 Adopted Tax Revenues include a 7.55% increase based on the Personal Income Growth (PIG) Rate increase. The FY 2023 tax rate was officially set by Council on June 14, 2022. FY 2024 & FY 2025 assume a 2% increase.
2. FY 2025 and FY 2026 assume a 2.0% PIG increase.

Expenditures

1. Personnel Cost: Annual COLA increases of 2.0% for FY 2025 and FY 2026.
2. Non-Personnel Cost: Remain constant to FY 2024 adopted for FY 2025 and FY 2026.



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STAFFING

- FY 23 Adopted Budget funds 1,792 full-time equivalent positions (FTE), increases to 1,794 FTE in FY 24
- Largest departments include Public Works (340 FTE), Police (313 FTE), HHCS (266 FTE) and Fire (203 FTE).
- General Fund pays for 728 FTE (41% of all positions) in FY 23 and FY 24

The FY 2023 Adopted Budget includes funding for 1,792 full-time equivalent (FTE) positions. Public Works (340 FTE), Police (313 FTE) and Health Housing & Community Services (“HHCS”) with approximately 266 FTE are the three departments with the greatest number of employees.

Compared to FY 2022 Adopted Budget, FY 23 staffing increases by 132 FTE. This growth is primarily within the Fire Department (50 FTE), which is undertaking a

reorganizational effort to enhance services; the Police Department (25 FTE total) that including staffing for Reimagining Public Safety (16 FTE) and Public Works (17 FTE).

The Reimagining Public Safety initiative includes 21 positions citywide, including community service officers and dispatchers (16 FTE) within the Police Department; the Reimagining project lead and the Diversity, Equity and Inclusion division within the City Manager’s Office (3 FTE); mental health services provided by Health, Housing and Community Services (1 FTE) to the City-run Berkeley High School Mental Health Center and a planner (1 FTE) within the Transportation Division of Public Works to support Vision Zero safety projects.

The portion of staff allocated to the General Fund is approximately 728 positions, or 41%, of total FTE count while all other funds represent 1,064, or 59%, of the remaining positions. Adopted staffing in FY 2024 reflects a modest increase to 1,794 FTE. The ratio between the General Fund and other funds remains constant in FY 24.

This section includes several charts pertaining to staffing including: (1) a high-level summary of staffing by department; (2) a five-year snapshot of staffing position by department with position detail; (3) historical staffing trends by department and (4) staffing by funding source.

SUMMARY STAFFING BY DEPARTMENT

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
City Attorney	13.00	13.00	15.00	15.00	15.00	17.00	17.00
City Auditor	13.50	13.50	13.50	13.75	13.50	14.75	14.75
City Clerk	9.47	10.00	10.00	10.00	10.00	10.00	10.00
City Manager	34.50	35.50	37.50	39.50	40.50	45.50	45.50
Economic Development	7.00	7.00	7.00	7.00	7.00	8.00	8.00
Finance	45.00	48.00	49.00	50.00	51.00	56.00	56.00
Fire Department	148.00	149.00	153.00	153.00	153.00	203.00	203.00
HHCS	222.88	233.18	246.18	257.38	260.58	265.58	265.58
Human Resources	19.00	21.00	22.00	22.00	22.00	22.00	22.00
Information Technology	41.50	44.50	45.00	46.00	47.00	52.00	52.00
Library	112.10	116.10	116.05	116.05	115.60	115.60	115.60
Mayor and Council	12.00	12.00	15.00	15.00	15.00	19.00	19.00
Office of the Director of Police Accountability*					4.00	5.00	5.00
Parks, Recreation & Waterfront	154.12	156.12	155.37	156.87	159.87	165.62	165.62
Planning & Development	91.08	94.80	103.40	104.70	110.33	116.04	118.04
Police Department	280.20	280.20	285.20	285.20	288.20	313.20	313.20
Police Review Commission*	3.00	3.00	3.00	3.00	-	-	-
Public Works	294.60	300.60	320.50	322.00	323.00	340.00	340.00
Rent Board	21.35	22.35	22.35	22.35	24.55	23.55	23.55
Full Time Equivalent Employee (FTE) Total	1,522.30	1,559.85	1,619.05	1,638.80	1,660.13	1,791.84	1,793.84

*Police Review Commission become the Office of the Director of Police Accountability in FY 2022.

POSITION DETAIL BY DEPARTMENT

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
CITY ATTORNEY'S OFFICE						
Assistant City Attorney	1.00	1.00	1.00	1.00	1.00	1.00
Assistant to the City Attorney	0.00	0.00	0.00	0.00	1.00	1.00
City Attorney	1.00	1.00	1.00	1.00	1.00	1.00
Deputy City Attorney III	6.00	7.00	7.00	7.00	8.00	8.00
Legal Office Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Paralegal	2.00	2.00	2.00	2.00	2.00	2.00
Senior Legal Secretary	2.00	3.00	3.00	3.00	3.00	3.00
TOTAL CITY ATTORNEY	13.00	15.00	15.00	15.00	17.00	17.00
CITY AUDITOR'S OFFICE						
Accounting Office Specialist III	1.50	1.50	1.75	1.50	1.75	1.75
Accounting Technician	2.00	2.00	2.00	2.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00
Audit Manager	1.00	1.00	1.00	1.00	1.00	1.00
Auditor I	1.00	1.00	1.00	1.00	1.00	1.00
Auditor II	3.00	3.00	3.00	2.00	2.00	2.00
Auditor II ***	0.00	0.00	0.00	0.00	1.00	1.00
City Auditor	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Auditor for Payroll Mgmt.	1.00	1.00	1.00	1.00	1.00	1.00
Senior Auditor	2.00	2.00	2.00	3.00	3.00	3.00
TOTAL CITY AUDITOR'S OFFICE	13.50	13.50	13.75	13.50	14.75	14.75
CITY CLERK'S OFFICE						
Assistant City Clerk	3.00	3.00	3.00	3.00	3.00	3.00
Assistant Management Analyst	1.00	1.00	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Office Specialist II	1.00	1.00	1.00	1.00	1.00	1.00
Office Specialist III	2.00	2.00	2.00	2.00	2.00	2.00
Records Assistant	1.00	1.00	1.00	1.00	1.00	1.00
Records Manager	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CITY CLERK'S OFFICE	10.00	10.00	10.00	10.00	10.00	10.00
CITY MANAGER'S OFFICE						
Accounting Office Specialist III	0.00	0.00	1.00	1.00	1.00	1.00
Administrative Assistant	2.00	2.00	1.00	1.00	3.00	3.00
Administrative Hearing Examiner	1.00	1.00	1.00	1.00	1.00	1.00
Animal Control Officer	4.00	4.00	4.00	4.00	4.00	4.00
Animal Services Assistant	3.50	3.50	3.50	3.50	3.50	3.50
Animal Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Planner	1.00	0.00	0.00	0.00	0.00	0.00
Assistant to the City Manager	2.00	3.00	3.00	3.00	4.00	4.00
Assistant to the City Manager **	0.00	0.00	0.00	0.00	1.00	1.00
Associate Management Analyst	2.00	2.00	3.00	2.00	1.00	1.00
Budget Manager	1.00	1.00	1.00	1.00	1.00	1.00

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
City Manager's Office continued						
City Manager	1.00	1.00	1.00	1.00	1.00	1.00
Code Enforcement Officer II	2.00	2.00	2.00	2.00	2.00	2.00
Code Enforcement Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Communications Specialist	0.00	0.00	0.00	0.00	1.00	1.00
Community Services Specialist I	1.00	1.00	1.00	1.00	1.00	1.00
Community Services Specialist II	0.00	1.00	2.00	1.00	1.00	1.00
Deputy City Manager	2.00	2.00	2.00	2.00	2.00	2.00
Digital Communications Coordinator	1.00	1.00	1.00	3.00	3.00	3.00
Health Services Program Specialist	0.00	0.00	0.00	1.00	0.00	0.00
Homeless Services Coordinator	0.00	0.00	0.00	0.00	1.00	1.00
Office Specialist II	2.00	2.00	2.00	1.00	1.00	1.00
Office Specialist III	1.00	1.00	1.00	1.00	1.00	1.00
Registered Veterinary Technician	1.00	1.00	1.00	1.00	1.00	1.00
Secretary to the City Manager	1.00	1.00	1.00	1.00	1.00	1.00
Senior Animal Control Officer	1.00	1.00	1.00	1.00	1.00	1.00
Senior Management Analyst	4.00	5.00	5.00	5.00	5.00	5.00
Social Services Specialist	0.00	0.00	0.00	1.00	2.00	2.00
TOTAL CITY MANAGER'S OFFICE	35.50	37.50	39.50	40.50	45.50	45.50
OFFICE OF ECONOMIC DEVELOPMENT (OED)						
Assistant Management Analyst	1.00	1.00	1.00	1.00	0.00	0.00
Civic Arts Coordinator	1.00	1.00	1.00	1.00	3.00	3.00
Community Development Project Coordinator	1.00	1.00	1.00	1.00	0.00	0.00
Economic Development Project Coordinator	2.00	2.00	2.00	2.00	2.00	2.00
Manager of Economic Development	1.00	1.00	1.00	1.00	1.00	1.00
Office Specialist III	1.00	1.00	1.00	1.00	1.00	1.00
Senior Economic Development Project Coordinator	0.00	0.00	0.00	0.00	1.00	1.00
TOTAL OED	7.00	7.00	7.00	7.00	8.00	8.00
FINANCE DEPARTMENT						
Accountant I	1.00	1.00	1.00	1.00	1.00	1.00
Accountant II	2.00	3.00	3.00	3.00	3.00	3.00
Accounting Manager	1.00	1.00	1.00	1.00	1.00	1.00
Accounting Office Specialist II	6.00	6.00	6.00	7.00	9.00	9.00
Accounting Office Specialist III	4.00	4.00	4.00	4.00	4.00	4.00
Accounting Office Specialist Supervisor	3.00	3.00	3.00	3.00	4.00	4.00
Accounting Technician	2.00	2.00	2.00	2.00	2.00	2.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Management Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Associate Management Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Buyer	1.00	1.00	1.00	1.00	1.00	1.00
Contract Administrator	1.00	1.00	1.00	1.00	1.00	1.00
Customer Service Specialist II	5.00	5.00	5.00	5.00	5.00	5.00
Customer Service Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Director of Finance	0.00	0.00	0.00	0.00	1.00	1.00
Director of Finance	1.00	1.00	1.00	1.00	1.00	1.00
Field Representative	2.00	2.00	2.00	2.00	0.00	0.00

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
Finance Dept. Continued						
General Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Information Systems Specialist	0.00	0.00	1.00	1.00	1.00	1.00
Mail Services Aide	1.00	1.00	1.00	1.00	1.00	1.00
Revenue Collection Manager	2.00	1.00	1.00	1.00	1.00	1.00
Revenue Development Specialist I	2.00	2.00	2.00	2.00	4.00	4.00
Revenue Development Specialist II	2.00	2.00	2.00	2.00	2.00	2.00
Revenue Development Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Senior Accountant	2.00	2.00	2.00	2.00	2.00	2.00
Senior Buyer	2.00	2.00	2.00	2.00	2.00	2.00
Senior Field Representative	1.00	1.00	1.00	1.00	1.00	1.00
Senior Systems Analyst	0.00	0.00	0.00	0.00	1.00	1.00
Systems Accountant	1.00	1.00	1.00	1.00	1.00	1.00
Treasury Manager	0.00	1.00	1.00	1.00	1.00	1.00
TOTAL FINANCE DEPARTMENT	48.00	49.00	50.00	51.00	56.00	56.00
FIRE DEPARTMENT						
Accounting Office Specialist II	0.00	0.00	0.00	0.00	1.00	1.00
Accounting Office Specialist III	5.00	4.00	4.00	4.00	4.00	4.00
Administrative & Fiscal Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	0.00	1.00	1.00	1.00	3.00	3.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Fire Chief	2.00	2.00	2.00	2.00	4.00	4.00
Assistant Management Analyst	0.00	1.00	1.00	1.00	1.00	1.00
Associate Management Analyst	1.00	1.00	1.00	1.00	2.00	2.00
Battalion Chief	3.00	3.00	3.00	3.00	3.00	3.00
Communications Specialist	0.00	0.00	0.00	0.00	1.00	1.00
Deputy Fire Chief	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Fire Marshal	1.00	1.00	1.00	1.00	1.00	1.00
Emergency Medical Services Quality Improvement & Education Coordinator	0.00	0.00	0.00	0.00	1.00	1.00
Emergency Services Coordinator	2.00	3.00	3.00	3.00	3.00	3.00
Fire and Life-Safety Plans Examiner	2.00	2.00	2.00	2.00	2.00	2.00
Fire Apparatus Operator	33.00	33.00	33.00	33.00	33.00	33.00
Fire Captain I/II	29.00	31.00	31.00	31.00	33.00	33.00
Fire Chief	1.00	1.00	1.00	1.00	1.00	1.00
Fire Marshal	1.00	1.00	1.00	1.00	1.00	1.00
Fire Prevention Inspector (Sworn)	1.00	1.00	1.00	1.00	8.00	8.00
Fire Prevention Inspector (Civilian)	2.00	2.00	2.00	2.00	0.00	0.00
Firefighter	55.00	54.00	54.00	54.00	57.00	57.00
Limited Term Emergency Medical Technician	0.00	0.00	0.00	0.00	12.00	12.00
Office Specialist II	1.00	2.00	2.00	2.00	2.00	2.00
Office Specialist III	1.00	1.00	1.00	1.00	2.00	2.00
Paramedic	0.00	0.00	0.00	0.00	18.00	18.00
Paramedic Supervisor I	6.00	6.00	6.00	6.00	7.00	7.00
TOTAL FIRE DEPARTMENT	149.00	153.00	153.00	153.00	203.00	203.00

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
HEALTH, HOUSING & COMMUNITY SERVICES (HHCS)						
Career Employees:						
Accounting Office Specialist III	3.00	3.00	3.00	3.00	3.00	3.00
Accounting Office Specialist Supervisor	0.00	0.00	0.00	1.00	1.00	1.00
Accounting Technician	1.00	1.00	1.00	1.00	1.00	1.00
Administrative & Fiscal Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	0.00	0.00	0.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Manager of Mental Health	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Management Analyst	3.00	4.00	6.00	6.00	5.00	5.00
Assistant Mental Health Clinician	3.00	3.00	3.00	3.00	2.00	2.00
Associate Management Analyst	6.00	6.00	5.00	5.00	7.00	7.00
Associate Planner	1.00	1.00	1.00	1.00	1.00	1.00
Behavioral Health Clinician I	3.00	3.00	5.00	6.00	8.00	8.00
Behavioral Health Clinician II	21.30	24.30	25.50	24.50	26.00	26.00
Building Inspector I (Cert)	1.00	1.00	1.00	1.00	1.00	1.00
Community Development Project Coordinator	4.00	5.00	6.00	6.00	6.00	6.00
Community Development Project Coordinator **	0.00	0.00	0.00	0.00	1.00	1.00
Community Health Worker	1.60	1.00	1.00	1.00	1.00	1.00
Community Health Worker Specialist	10.00	10.00	10.00	10.00	9.00	9.00
Community Service Specialist I	5.50	5.50	6.50	4.50	3.00	3.00
Community Services Specialist II	5.00	6.00	8.00	8.00	11.00	11.00
Community Services Specialist II **	0.00	0.00	0.00	0.00	1.00	1.00
Community Services Specialist III	3.00	4.00	4.00	6.00	5.00	5.00
Deputy Director of Health, Housing & Community Services	1.00	1.00	1.00	1.00	1.00	1.00
Director of Health, Housing & Community Services	1.00	1.00	1.00	1.00	1.00	1.00
Employment Program Administrator	1.00	1.00	1.00	0.00	0.00	0.00
Environmental Health Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Epidemiologist	1.00	1.00	1.00	3.00	3.00	3.00
Health Nutrition Program Coordinator	1.00	1.00	1.00	1.00	2.00	2.00
Health Officer (Certified)	1.00	1.00	1.00	1.00	1.00	1.00
Health Services Program Specialist	7.00	7.00	8.00	8.00	9.00	9.00
Health Services Supervisor	2.00	2.00	2.00	1.00	1.00	1.00
Homeless Services Coordinator	1.00	1.00	1.00	1.00	0.00	0.00
Manager of Aging Services	1.00	1.00	1.00	1.00	1.00	1.00
Manager of Environmental Health	1.00	1.00	1.00	1.00	1.00	1.00
Manager of Housing and Community Services	1.00	1.00	1.00	1.00	1.00	1.00
Manager of Mental Health Services	1.00	1.00	1.00	1.00	1.00	1.00
Manager of Public Health Services	1.00	1.00	1.00	1.00	1.00	1.00
Manager, Family Health & Nursing Services	1.00	0.00	0.00	0.00	0.00	0.00
Mealsite Coordinator	1.00	1.00	1.00	1.00	1.00	1.00
Mental Health Clinical Supervisor	5.00	6.00	7.00	8.00	8.40	8.40
Mental Health Nurse	0.00	0.00	4.50	5.20	3.50	3.50
Mental Health Program Supervisor	4.00	4.00	4.00	4.00	4.00	4.00
Mid-Level Practitioner	1.10	1.10	1.10	1.10	0.60	0.60
Mini Bus Driver	2.00	2.00	2.00	2.00	2.00	2.00

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
HHCS Continued						
Nutritionist	0.50	0.50	0.50	0.50	1.50	1.50
Office Specialist II	20.00	20.00	19.00	18.00	18.00	18.00
Office Specialist III	4.00	4.00	4.00	4.00	4.00	4.00
Office Specialist Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
PPHP Deputy Health Officer	0.00	0.00	0.00	0.00	1.00	1.00
Psychiatrist	1.50	1.50	2.00	2.75	1.75	1.75
Public Health Nurse	9.65	8.75	8.75	9.00	7.00	7.00
Registered Environmental Health Specialist	6.00	6.00	6.00	6.00	6.00	6.00
Registered Nurse	4.00	5.50	2.00	2.00	1.80	1.80
Senior Behavioral Health Clinician	4.00	4.00	4.00	4.00	4.00	4.00
Senior Citizen Center Director	2.00	2.00	2.00	2.00	2.00	2.00
Senior Community Development Project Coordinator	1.00	1.00	1.00	1.00	2.00	2.00
Senior Community Health Specialist	4.00	4.00	4.00	4.00	4.00	4.00
Senior Environmental Health Specialist	2.00	2.00	2.00	2.00	2.00	2.00
Senior Health Management Analyst	1.00	1.00	1.00	1.00	0.00	0.00
Senior Health Services Program Specialist	4.80	4.80	4.80	4.80	5.80	5.80
Senior Management Analyst	1.00	1.00	2.00	3.00	4.00	4.00
Senior Service Assistant	3.75	4.75	4.75	4.75	4.75	4.75
Social Services Specialist	8.00	11.00	11.00	11.00	10.00	10.00
Supervising Mental Health Nurse	0.00	0.00	0.00	0.00	1.00	1.00
Supervising Psychiatrist	1.00	1.00	1.00	1.00	1.00	1.00
Supervising Public Health Nurse	1.00	2.00	2.00	2.00	2.00	2.00
Transportation Services Coordinator	0.00	1.00	0.50	1.00	1.00	1.00
Vector Control Technician	1.00	1.00	1.00	1.00	1.00	1.00
Total Career Employees	192.70	205.70	216.90	220.10	225.10	225.10
Hourly Employees:						
Intern	2.00	2.00	2.00	2.00	2.00	2.00
Behavioral Health Clinician I & II	2.00	2.00	2.00	2.00	2.00	2.00
Mid-Level Practitioner	3.50	3.50	3.50	3.50	3.50	3.50
Mini Bus Driver	0.20	0.20	0.20	0.20	0.20	0.20
Physician	0.20	0.20	0.20	0.20	0.20	0.20
Psychiatrist II & III	0.48	0.48	0.48	0.48	0.48	0.48
Public Health Program Physician	0.00	0.00	0.00	0.00	0.00	0.00
Registered Environmental Health Specialist	0.40	0.40	0.40	0.40	0.40	0.40
Senior Nutrition Program Supervisor	0.43	0.43	0.43	0.43	0.43	0.43
Senior Registered Environmental Health Specialist	0.46	0.46	0.46	0.46	0.46	0.46
Senior Service Aide	3.88	3.88	3.88	3.88	3.88	3.88
Senior Service Assistant	0.91	0.91	0.91	0.91	0.91	0.91
Youth Enrollee Intern	26.02	26.02	26.02	26.02	26.02	26.02
Total Hourly Employees	40.48	40.48	40.48	40.48	40.48	40.48
TOTAL HHCS	233.18	246.18	257.38	260.58	265.58	265.58
HUMAN RESOURCES						
Assistant Management Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Human Resources Analyst	0.00	1.00	1.00	1.00	1.00	1.00
Associate Human Resources Analyst	4.00	4.00	4.00	4.00	4.00	4.00
Director of Human Resources	1.00	1.00	1.00	1.00	1.00	1.00

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
Human Resources Continued						
Equal Employment Opportunity & Diversity Officer	1.00	1.00	1.00	1.00	1.00	1.00
Employee Relations Manager	1.00	1.00	1.00	1.00	1.00	1.00
Human Resources Manager	0.00	1.00	1.00	1.00	1.00	1.00
Human Resources Technician	3.00	4.00	4.00	4.00	4.00	4.00
Information Systems Support Technician	1.00	1.00	1.00	1.00	1.00	1.00
Occupational Health & Safety Officer	1.00	1.00	1.00	1.00	1.00	1.00
Occupational Health & Safety Specialist	1.00	1.00	1.00	1.00	1.00	1.00
Office Specialist II	3.00	2.00	2.00	2.00	2.00	2.00
Office Specialist III	1.00	0.00	0.00	0.00	0.00	0.00
Senior Human Resources Analyst	2.00	2.00	2.00	2.00	2.00	2.00
Training Officer	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL HUMAN RESOURCES	21.00	22.00	22.00	22.00	22.00	22.00
INFORMATION TECHNOLOGY (IT)						
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Management Analyst	0.00	0.00	0.00	0.00	1.00	1.00
Applications Programmer/Analyst I	0.50	0.00	0.00	1.00	2.00	2.00
Applications Programmer/Analyst II	13.00	14.00	14.00	14.00	14.00	14.00
Associate Management Analyst	1.00	0.00	0.00	0.00	0.00	0.00
Customer Service Specialist III	9.00	9.00	9.00	9.00	10.00	10.00
Customer Service Manager	1.00	1.00	1.00	1.00	1.00	1.00
Customer Service Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Database Administrator	1.00	1.00	1.00	1.00	1.00	1.00
Director of Information Technology	1.00	1.00	1.00	1.00	1.00	1.00
Information Security Manager	1.00	1.00	1.00	1.00	1.00	1.00
Information Systems Manager	1.00	1.00	1.00	1.00	1.00	1.00
Information Systems Specialist	5.00	5.00	4.00	4.00	4.00	4.00
Information Systems Support Technician	2.00	2.00	2.00	2.00	3.00	3.00
Senior Information Systems Specialist	3.00	3.00	4.00	4.00	5.00	5.00
Senior Management Analyst	0.00	1.00	1.00	1.00	1.00	1.00
Senior Systems Analyst	4.00	4.00	5.00	5.00	5.00	5.00
TOTAL INFORMATION TECHNOLOGY	44.50	45.00	46.00	47.00	52.00	52.00
LIBRARY SERVICES						
Career Employees:						
Accounting Office Specialist III	2.00	1.00	1.00	1.00	1.00	1.00
Administrative & Fiscal Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Human Resources Analyst	0.00	1.00	1.00	1.00	1.00	1.00
Assistant Management Analyst	2.00	3.00	3.00	3.00	2.00	2.00
Associate Human Resources Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Associate Management Analyst	0.00	0.00	0.00	1.00	1.00	1.00
Building Maintenance Mechanic	1.00	2.00	2.00	2.00	2.00	2.00
Building Maintenance Supervisor	1.00	0.00	0.00	0.00	0.00	0.00
Circulation Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Director of Library Services	1.00	1.00	1.00	1.00	1.00	1.00
Director of Library Services	1.00	1.00	1.00	1.00	1.00	1.00
Information Systems Specialist	3.00	3.00	3.00	3.00	3.00	3.00

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
Library Continued						
Librarian I/II	21.30	21.30	21.30	22.30	22.80	22.80
Library Aide	14.00	13.00	13.00	13.50	14.00	14.00
Library Assistant	14.25	14.25	14.25	14.25	14.25	14.25
Library Info Systems Administrator	1.00	1.00	1.00	1.00	1.00	1.00
Library Literacy Program Coordinator	1.00	1.00	1.00	1.00	1.00	1.00
Library Services Manager	2.00	2.00	2.00	2.00	2.00	2.00
Library Specialist I	3.00	3.00	3.00	3.00	3.00	3.00
Library Specialist II	13.55	13.55	13.55	13.80	13.80	13.80
Mail Services Aide	1.80	2.00	2.00	2.00	2.00	2.00
Office Specialist II	1.00	0.00	0.00	0.00	0.00	0.00
Senior Building Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Senior Librarian	3.00	3.00	3.00	3.00	3.00	3.00
Social Services Specialist	0.00	0.00	0.00	1.00	1.00	1.00
Supervising Librarian	8.00	8.00	8.00	8.00	8.00	8.00
Supervising Library Assistant	9.00	9.00	9.00	9.00	9.00	9.00
Tool Lending Specialist	2.25	3.00	3.00	3.00	3.00	3.00
Total Career Employees	111.15	111.10	111.10	114.85	114.85	114.85
Hourly Employees:						
Library Aides	0.75	0.75	0.75	0.75	0.75	0.75
Library Page	4.20	4.20	4.20	0.00	0.00	0.00
Youth Enrollees						
Total Hourly Employees	4.95	4.95	4.95	0.75	0.75	0.75
TOTAL LIBRARY SERVICES	116.10	116.05	116.05	115.60	115.60	115.60
MAYOR & COUNCIL						
Assistant to Mayor	3.00	3.00	3.00	3.00	3.00	3.00
Legislative Aides	9.00	12.00	12.00	12.00	16.00	16.00
TOTAL MAYOR AND COUNCIL	12.00	15.00	15.00	15.00	19.00	19.00
OFFICE OF THE DIRECTOR OF POLICE ACCOUNTABILITY*						
Associate Management Analyst	0.00	0.00	0.00	0.00	2.00	2.00
Director of Police Accountability	0.00	0.00	0.00	1.00	1.00	1.00
Office Specialist III	0.00	0.00	0.00	1.00	1.00	1.00
Police Review Commission Officer	0.00	0.00	0.00	1.00	0.00	0.00
PRC Investigator	0.00	0.00	0.00	1.00	1.00	1.00
TOTAL OFFICE OF THE DIRECTOR OF POLICE ACCOUNTABILITY	0.00	0.00	0.00	4.00	5.00	5.00
PARKS RECREATION & WATERFRONT						
Career Employees:						
Accounting Office Specialist II	1.00	1.00	1.00	1.00	1.00	1.00
Accounting Office Specialist III	2.00	2.00	2.00	2.00	2.00	2.00
Accounting Office Specialist Supervisor	2.00	2.00	2.00	2.00	2.00	2.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	1.00
Aquatics Coordinator	1.00	1.00	1.00	1.00	1.00	1.00
Aquatics Facilities Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Aquatics Specialist II	0.50	0.50	0.50	0.50	0.00	0.00
Assistant Aquatics Coordinator	0.00	0.00	0.00	0.00	1.00	1.00

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
PRW Continued						
Assistant Civil Engineer (Reg)	1.00	1.00	1.00	2.00	2.00	2.00
Assistant Management Analyst	2.00	2.00	2.00	2.00	2.00	2.00
Assistant Recreation Coordinator	4.00	5.00	6.00	6.00	8.00	8.00
Associate Civil Engineer	2.00	2.00	2.00	3.00	3.00	3.00
Associate Management Analyst	0.00	0.00	1.00	1.00	1.00	1.00
Building Maintenance Mechanic	9.00	9.00	9.00	9.00	9.00	9.00
Building Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Camps Manager	0.75	1.00	1.00	2.00	2.00	2.00
Capital Improvements Program Manager	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Director of Parks Recreation & Waterfront	1.00	1.00	1.00	1.00	1.00	1.00
Director of Parks & Waterfront	1.00	1.00	1.00	1.00	1.00	1.00
Forestry Climber	4.00	4.00	4.00	4.00	4.00	4.00
Forestry Climber Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Forestry Technician	1.00	1.00	1.00	1.00	1.00	1.00
Landscape Equipment Operator	4.00	4.00	4.00	4.00	4.00	4.00
Landscape Gardener	15.00	15.00	15.00	15.00	16.00	16.00
Landscape Gardener Supervisor	5.00	5.00	5.00	5.00	5.00	5.00
Marina Assistant	3.00	2.00	3.00	3.00	3.00	3.00
Office Specialist II	3.00	3.00	2.00	2.00	4.00	4.00
Parks Superintendent	1.00	1.00	1.00	1.00	1.00	1.00
Recreation & Youth Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Activity Leader	8.25	7.25	5.75	5.75	3.00	3.00
Recreation Coordinator	5.00	5.00	6.00	6.00	7.00	7.00
Recreation Program Supervisor	3.00	3.00	3.00	3.00	3.00	3.00
Rosarian	1.00	1.00	1.00	1.00	1.00	1.00
Senior Building Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Senior Forestry Climber	3.00	3.00	3.00	3.00	3.00	3.00
Senior Forestry Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Senior Groundskeeper	1.00	1.00	1.00	1.00	1.00	1.00
Senior Landscape Gardener	3.00	3.00	3.00	3.00	4.00	4.00
Senior Landscape Gardener Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Senior Management Analyst	2.00	2.00	2.00	2.00	2.00	2.00
Sports Official	2.00	2.00	2.00	2.00	2.00	2.00
Supervising Civil Engineer	1.00	1.00	1.00	1.00	2.00	2.00
Waterfront Manager	1.00	1.00	1.00	1.00	1.00	1.00
Waterfront Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Total Career Employees	103.50	102.75	104.25	107.25	113.00	113.00
Hourly Employees:						
Aquatics Specialist I	2.22	2.22	2.22	2.22	2.22	2.22
Aquatics Specialist II	4.02	4.02	4.02	4.02	4.02	4.02
Assistant Aquatics Coordinator	0.78	0.78	0.78	0.78	0.78	0.78
Camp Maintenance Mechanic	0.39	0.39	0.39	0.39	0.39	0.39
Camp Medical Staff Member	2.42	2.42	2.42	2.42	2.42	2.42
Camp Staff Leader	2.70	2.70	2.70	2.70	2.70	2.70
Camp Staff Member	2.62	2.62	2.62	2.62	2.62	2.62
Camp Staff Supervisor	1.07	1.07	1.07	1.07	1.07	1.07
Cashier Attendant	0.16	0.16	0.16	0.16	0.16	0.16

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
PRW Continued						
Groundskeeper	0.73	0.73	0.73	0.73	0.73	0.73
Office Specialist II	0.19	0.19	0.19	0.19	0.19	0.19
Playground Lead Trainee	8.90	8.90	8.90	8.90	8.90	8.90
Recreation Activity Leader	22.12	22.12	22.12	22.12	22.12	22.12
Senior Aquatics Specialist	0.79	0.79	0.79	0.79	0.79	0.79
Sports Field Monitor	0.95	0.95	0.95	0.95	0.95	0.95
Sports Official	2.27	2.27	2.27	2.27	2.27	2.27
Vegetation Reduction Supervisor	0.29	0.29	0.29	0.29	0.29	0.29
Total Hourly Employees	52.62	52.62	52.62	52.62	52.62	52.62
TOTAL PARKS REC & WATERFRONT	156.12	155.37	156.87	159.87	165.62	165.62

PLANNING & DEVELOPMENT

Career Employees:

Accounting Office Specialist II	1.00	1.00	1.00	1.00	3.00	3.00
Accounting Office Specialist III	3.00	3.00	3.00	3.00	3.00	3.00
Accounting Office Specialist Supervisor	0.00	0.00	0.00	0.00	1.00	1.00
Administrative & Fiscal Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	0.00	0.00	0.00	0.00
Assistant Building & Safety Manager	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Management Analyst	2.00	2.00	1.00	2.00	2.00	2.00
Assistant Inspector	0.00	0.00	0.00	0.00	0.00	1.00
Assistant Planner	6.00	6.00	6.00	6.00	7.00	7.00
Associate Management Analyst	3.00	3.00	3.00	3.00	3.00	3.00
Associate Planner	6.00	6.00	6.00	5.00	6.00	6.00
Associate Planner **	0.00	0.00	0.00	0.00	1.00	1.00
Building and Safety Manager	1.00	1.00	1.00	1.00	1.00	1.00
Building Inspector I (certified)	2.00	2.00	2.00	4.00	2.00	2.00
Building Inspector II	1.00	0.00	0.00	0.00	0.00	0.00
Building Inspector II (certified)	6.00	6.00	6.00	7.00	6.00	6.00
Building Plans Engineer	1.00	1.00	1.00	1.00	1.00	1.00
Building Plans Examiner	3.00	4.00	4.00	2.00	2.94	2.94
Community Services Specialist I	1.60	2.20	1.60	1.35	2.00	2.00
Community Services Specialist II	0.00	0.00	2.75	3.75	3.75	3.75
Community Services Specialist III	2.70	2.70	2.85	2.85	2.80	2.80
Deputy Director of Planning	0.00	0.00	0.00	0.00	1.00	1.00
Director of Planning	1.00	1.00	1.00	1.00	1.00	1.00
Energy Program Manager	1.00	1.00	1.00	1.00	1.00	1.00
Engineering Inspector	1.00	1.00	1.00	0.00	0.00	0.00
Hazardous Material Manager	1.00	1.00	1.00	1.00	1.00	1.00
Hazardous Material Specialist I	1.00	0.00	0.00	0.00	1.00	1.00
Hazardous Material Specialist II	3.00	4.00	4.00	4.00	3.00	3.00
Housing Inspector I	0.00	0.00	0.00	0.00	1.00	1.00
Housing Inspector II	0.00	0.00	0.00	0.00	0.00	0.00
Housing Inspector (Certified)	3.00	5.00	5.00	6.00	2.00	2.00
Housing Inspector Supervisor	1.00	1.00	1.00	2.00	2.00	2.00
Land Use Planning Manager	1.00	1.00	1.00	1.00	1.00	1.00
Office Specialist II	5.50	6.50	7.50	7.50	7.75	7.75
Office Specialist III	2.00	2.00	2.00	3.00	3.00	3.00

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
Planning Continued						
Office Specialist Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Permit Center Coordinator	1.00	1.00	1.00	1.00	1.00	1.00
Permit Specialist	4.00	4.00	4.00	4.00	4.00	4.00
Planning Technician	2.00	2.00	2.00	4.00	3.00	3.00
Planning Technician **	0.00	0.00	0.00	0.00	1.00	1.00
Principal Planner	4.00	4.00	4.00	4.00	5.00	5.00
Resilient Buildings Program Manager	0.00	1.00	1.00	0.88	0.80	0.80
Senior Building Inspector	2.00	2.00	2.00	2.00	2.00	2.00
Senior Building Plans Engineer	2.00	2.00	2.00	2.00	2.00	2.00
Senior Building Plans Examiner	0.00	2.00	2.00	2.00	2.00	2.00
Senior Housing Inspector	0.00	0.00	0.00	0.00	1.00	2.00
Senior Permit Specialist	2.00	2.00	2.00	2.00	2.00	2.00
Senior Planner	3.00	5.00	5.00	5.00	6.00	6.00
Supervising Building Inspector	1.00	1.00	1.00	1.00	1.00	1.00
Total Career Employees	84.80	93.40	94.70	100.33	106.04	108.04
Hourly Employees:						
Intern	10.00	10.00	10.00	10.00	10.00	10.00
TOTAL PLANNING DEPARTMENT	94.80	103.40	104.70	110.33	116.04	118.04
POLICE DEPARTMENT						
Career Employees:						
Administrative & Fiscal Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Management Analyst	2.00	2.00	2.00	2.00	4.00	4.00
Communications Manager	1.00	1.00	1.00	1.00	1.00	1.00
Community Service Officer	15.00	19.00	19.00	21.00	21.00	21.00
Community Service Officer **	0.00	0.00	0.00	0.00	6.00	6.00
Community Service Officer Supervisor	4.00	4.00	4.00	4.00	4.00	4.00
Community Service Officer Supervisor **	0.00	0.00	0.00	0.00	1.00	1.00
Crime Analyst	1.00	1.00	1.00	1.00	3.00	3.00
Crime Scene Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Office Specialist II	5.00	5.00	5.00	5.00	5.00	5.00
Office Specialist III	5.00	6.00	6.00	6.00	6.00	6.00
Office Specialist Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Parking Enforcement Manager	1.00	1.00	1.00	1.00	1.00	1.00
Parking Enforcement Officer	21.00	21.00	21.00	21.00	22.00	22.00
Parking Enforcement Supervisor	2.00	2.00	2.00	2.00	2.00	2.00
Police Captain	4.00	4.00	4.00	4.00	4.00	4.00
Police Chief	1.00	1.00	1.00	1.00	1.00	1.00
Police Lieutenant	9.00	9.00	9.00	9.00	9.00	9.00
Police Officer	137.00	137.00	136.00	135.00	135.00	135.00
Police Sergeant	30.00	30.00	31.00	32.00	32.00	32.00
Public Safety Dispatcher I & II	28.00	28.00	28.00	28.00	36.00	36.00
Supervising Public Safety Dispatcher	4.00	4.00	4.00	4.00	5.00	5.00
Total Career Employees	274.00	279.00	279.00	281.00	302.00	302.00
Hourly Employees:						
Juvenile Bureau Counselor	0.50	0.50	0.50	0.50	0.50	0.50
Police Aide	2.00	2.00	2.00	2.00	2.00	2.00

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
Police Dept. Continued						
School Crossing Guard	3.70	3.70	3.70	4.70	8.70	8.70
Total Hourly Employees:	6.20	6.20	6.20	7.20	11.20	11.20
TOTAL POLICE DEPARTMENT	280.20	285.20	285.20	288.20	313.20	313.20
POLICE REVIEW COMMISSION*						
Office Specialist III	1.00	1.00	1.00	0.00	0.00	0.00
Police Review Commission Officer	1.00	1.00	1.00	0.00	0.00	0.00
PRC Investigator	1.00	1.00	1.00	0.00	0.00	0.00
TOTAL POLICE REVIEW COMMISSION	3.00	3.00	3.00	0.00	0.00	0.00
PUBLIC WORKS						
Accounting Office Specialist II	1.00	1.00	1.00	1.00	2.00	2.00
Accounting Office Specialist III	5.00	5.00	5.00	5.00	4.00	4.00
Accounting Office Specialist Supervisor	0.00	0.00	0.00	0.00	1.00	1.00
Administrative Assistant	0.00	1.00	1.00	1.00	1.00	1.00
Administrative & Fiscal Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretary	2.00	2.00	2.00	2.00	2.00	2.00
Architect	1.00	0.00	0.00	0.00	0.00	0.00
Assistant Architect	1.00	0.00	0.00	0.00	0.00	0.00
Assistant Civil Engineer (Reg)	4.00	6.00	5.00	5.00	5.00	5.00
Assistant Management Analyst	5.00	5.00	5.00	5.00	6.00	6.00
Assistant Planner	1.00	2.00	2.00	2.00	2.00	2.00
Assistant Public Works Engineer	2.00	2.00	2.00	2.00	2.00	2.00
Assistant Traffic Engineer	1.00	2.00	2.00	2.00	2.00	2.00
Associate Civil Engineer	7.00	8.00	10.00	10.00	9.00	9.00
Associate Management Analyst	3.00	4.00	4.00	4.00	5.00	5.00
Associate Planner	1.60	2.00	2.00	2.00	3.00	3.00
Associate Planner **	0.00	0.00	0.00	0.00	1.00	1.00
Associate Traffic Engineer	1.00	2.00	2.00	2.00	2.00	2.00
Building Maintenance Mechanic	5.00	6.00	5.00	5.00	5.00	5.00
Building Maintenance Mechanic Trainee	0.00	0.00	0.00	0.00	1.00	1.00
Building Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Chief of Party	2.00	2.00	2.00	2.00	2.00	2.00
Communications Technician	3.00	3.00	3.00	3.00	3.00	3.00
Community Development Project Coordinator	1.00	1.00	1.00	1.00	2.00	2.00
Community Services Specialist I	0.00	0.00	0.00	0.00	1.00	1.00
Concrete Finisher	3.00	3.00	3.00	3.00	3.00	3.00
Construction Equipment Operator	3.00	3.00	3.00	3.00	3.00	3.00
Container Maintenance Welder	2.00	2.00	2.00	2.00	2.00	2.00
Deputy Director of Public Works	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Director of Public Works Reg	0.00	0.00	0.00	0.00	1.00	1.00
Director of Public Works	1.00	1.00	1.00	1.00	1.00	1.00
Disability Services Specialist	1.00	1.00	1.00	1.00	1.00	1.00
Drafting Aide	1.00	1.00	1.00	1.00	0.00	0.00
Drafting Technician	2.00	1.00	1.00	1.00	1.00	1.00
Electrical Parts Technician	1.00	1.00	1.00	1.00	0.00	0.00
Electrician	7.00	7.00	7.00	7.00	7.00	7.00
Engineering Inspector	7.00	8.00	8.00	9.00	9.00	9.00

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
Public Works Continued						
Environmental Compliance Specialist	2.00	2.00	2.00	2.00	2.00	2.00
Equipment Superintendent	1.00	1.00	1.00	1.00	1.00	1.00
Facilities Maintenance Superintendent	1.00	1.00	1.00	1.00	1.00	1.00
Field Representative	1.00	3.00	3.00	3.00	7.00	7.00
Janitor	7.00	7.00	7.00	7.00	7.00	7.00
Janitor Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Junior Public Works Engineer	0.00	1.00	1.00	1.00	3.00	3.00
Laborer	20.00	21.00	21.00	21.00	20.00	20.00
Lead Communication Technician	1.00	1.00	1.00	1.00	1.00	1.00
Lead Electrician	3.00	3.00	3.00	3.00	3.00	3.00
Manager of Engineering	1.00	1.00	1.00	1.00	1.00	1.00
Mechanic	8.00	8.00	8.00	8.00	8.00	8.00
Mechanic Lead	1.00	1.00	1.00	1.00	1.00	1.00
Mechanic Supervisor	2.00	2.00	2.00	2.00	2.00	2.00
Mechanical Sweeper Operator	5.00	5.00	5.00	5.00	5.00	5.00
Occupational Health & Safety Officer	0.00	0.50	1.00	1.00	1.00	1.00
Office Specialist II	3.00	3.00	3.00	3.00	5.00	5.00
Office Specialist III	3.00	4.00	4.00	4.00	3.00	3.00
Parking Meter Maint. & Collection Suprv.	1.00	1.00	1.00	1.00	1.00	1.00
Parking Meter Maintenance Worker	6.00	6.00	6.00	6.00	6.00	6.00
Parking Meter Mechanic	5.00	5.00	5.00	5.00	5.00	5.00
Parking Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Principal Planner	1.00	1.00	1.00	1.00	1.00	1.00
Public Works Maintenance Superintendent	1.00	1.00	1.00	1.00	1.00	1.00
Public Works Operations Manager	2.00	2.00	2.00	2.00	2.00	2.00
Public Works Supervisor	6.00	6.00	6.00	5.00	6.00	6.00
Recycling Program Manager	1.00	1.00	1.00	1.00	1.00	1.00
Senior Building Inspector	2.00	1.00	1.00	2.00	3.00	3.00
Senior Building Maintenance Supervisor	1.00	1.00	1.00	1.00	0.00	0.00
Senior Drafting Technician	1.00	1.00	1.00	1.00	1.00	1.00
Senior Electrical Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Senior Engineering Inspector	0.00	1.00	1.00	0.00	0.00	0.00
Senior Equipment Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Senior Management Analyst	3.00	4.00	4.00	4.00	4.00	4.00
Senior Planner	1.00	2.00	2.00	2.00	2.00	2.00
Senior Public Works Supervisor	2.00	2.00	2.00	3.00	3.00	3.00
Senior Solid Waste Supervisor	2.00	2.00	2.00	2.00	2.00	2.00
Service Technician	4.00	4.00	4.00	4.00	4.00	4.00
Sewer Maintenance Assistant Supervisor	7.00	7.00	7.00	7.00	7.00	7.00
Skilled Laborer	15.00	17.00	17.00	17.00	21.00	21.00
Solid Waste Loader Operator	2.00	2.00	2.00	2.00	2.00	2.00
Solid Waste Supervisor	3.00	4.00	4.00	4.00	4.00	4.00
Solid Waste Truck Driver	33.00	33.00	33.00	33.00	33.00	33.00
Solid Waste Worker	34.00	36.00	36.00	36.00	36.00	36.00
Solid Waste/Recycling Manager	1.00	1.00	1.00	1.00	1.00	1.00
Supervising Civil Engineer	4.00	4.00	4.00	4.00	4.00	4.00
Supervising Traffic Engineer	1.00	1.00	1.00	1.00	1.00	1.00

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted
Public Works Continued						
Survey Technician	1.00	1.00	1.00	1.00	1.00	1.00
Tractor Trailer Driver	6.00	7.00	7.00	7.00	7.00	7.00
Traffic Engineering Assistant	2.00	1.00	1.00	1.00	1.00	1.00
Traffic Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Traffic Maintenance Worker I	3.00	3.00	3.00	3.00	4.00	4.00
Traffic Maintenance Worker II	2.00	2.00	2.00	2.00	2.00	2.00
Transportation Manager	1.00	1.00	1.00	1.00	0.00	0.00
Warehouse Operations Specialist	1.00	0.00	1.00	1.00	1.00	1.00
Weighmaster	3.00	4.00	4.00	4.00	4.00	4.00
Welder Mechanic	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL PUBLIC WORKS DEPARTMENT	300.60	320.50	322.00	323.00	340.00	340.00
RENT STABILIZATION BOARD						
Accounting Office Specialist III	1.00	1.00	1.00	0.00	1.00	1.00
Associate Management Analyst	2.75	2.75	1.00	1.00	1.00	1.00
Associate Planner	0.00	0.00	0.00	1.00	1.00	1.00
Community Services Specialist II	5.80	5.80	6.00	7.00	7.00	7.00
Community Services Specialist III	0.00	0.00	0.80	1.80	0.80	0.80
Deputy Director Rent Stabilization Program	1.00	1.00	1.00	1.00	0.00	0.00
General Counsel	0.00	0.00	0.00	1.00	1.00	1.00
Executive Director Rent Board	1.00	1.00	1.00	1.00	1.00	1.00
Hearing Examiner	2.00	2.00	0.00	0.00	0.00	0.00
Legal Secretary	0.00	0.00	0.80	1.00	1.00	1.00
Office Specialist II	3.80	3.80	4.00	4.00	4.00	4.00
Office Specialist III	1.00	1.00	1.00	1.00	1.00	1.00
Senior Hearing Examiner	0.00	0.00	1.00	1.00	1.00	1.00
Senior Legal Secretary	1.00	1.00	0.00	0.00	0.00	0.00
Senior Management Analyst	0.00	0.00	0.75	0.75	0.75	0.75
Senior Planner	0.00	0.00	1.00	1.00	1.00	1.00
Staff Attorney II	2.00	2.00	2.00	2.00	2.00	2.00
Staff Attorney III	1.00	1.00	1.00	0.00	0.00	0.00
TOTAL RENT STABILIZATION BOARD	22.35	22.35	22.35	24.55	23.55	23.55
TOTAL AUTHORIZED FTEs	1,559.85	1,619.05	1,638.80	1,660.13	1,791.84	1,793.84

Notes:

*Police Review Commission has become the Office of the Director of Police Accountability in FY 2022.

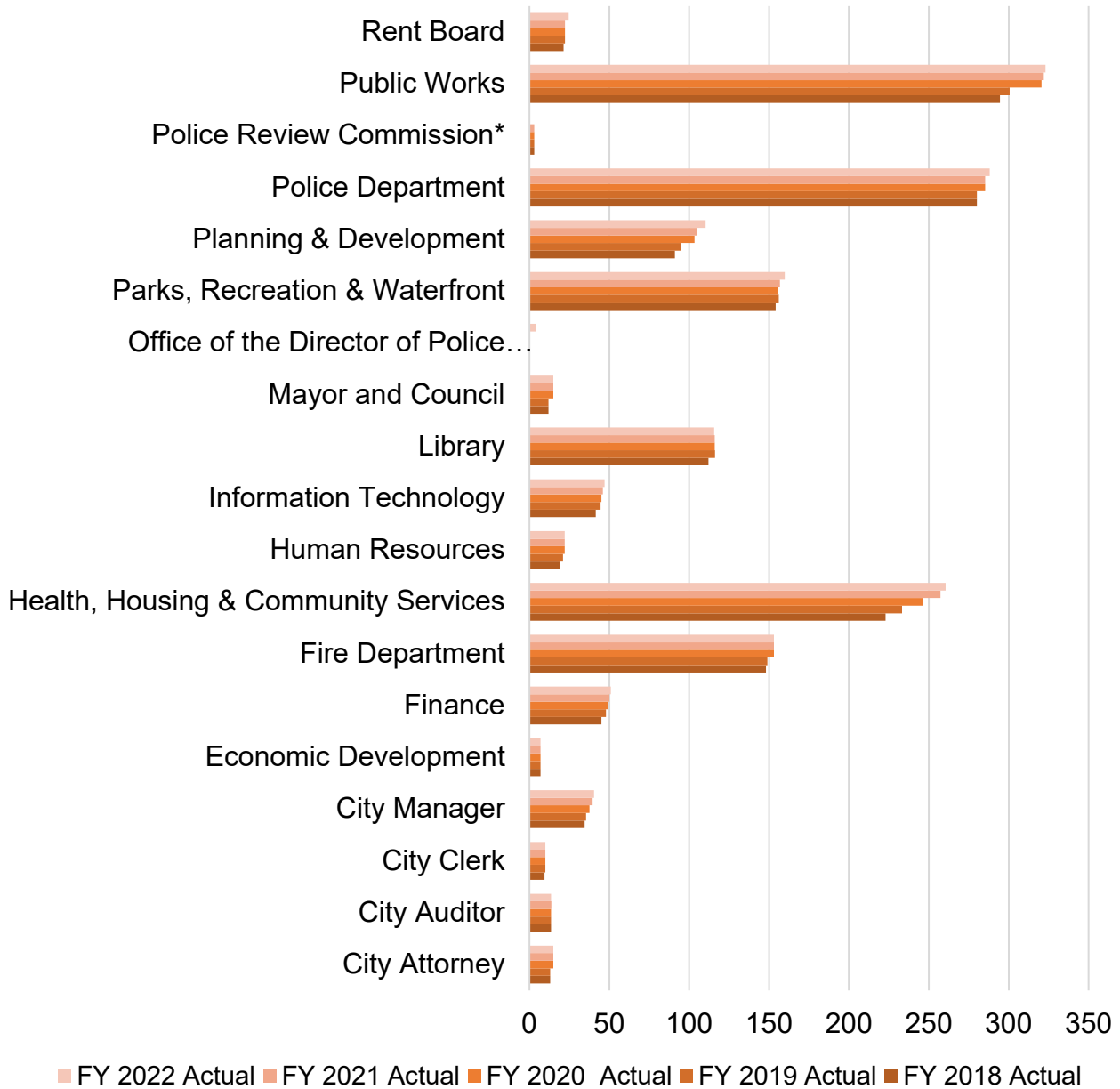
** Project Based Position (not to exceed 3 years)

*** Project Based Position (not to exceed 2 years)

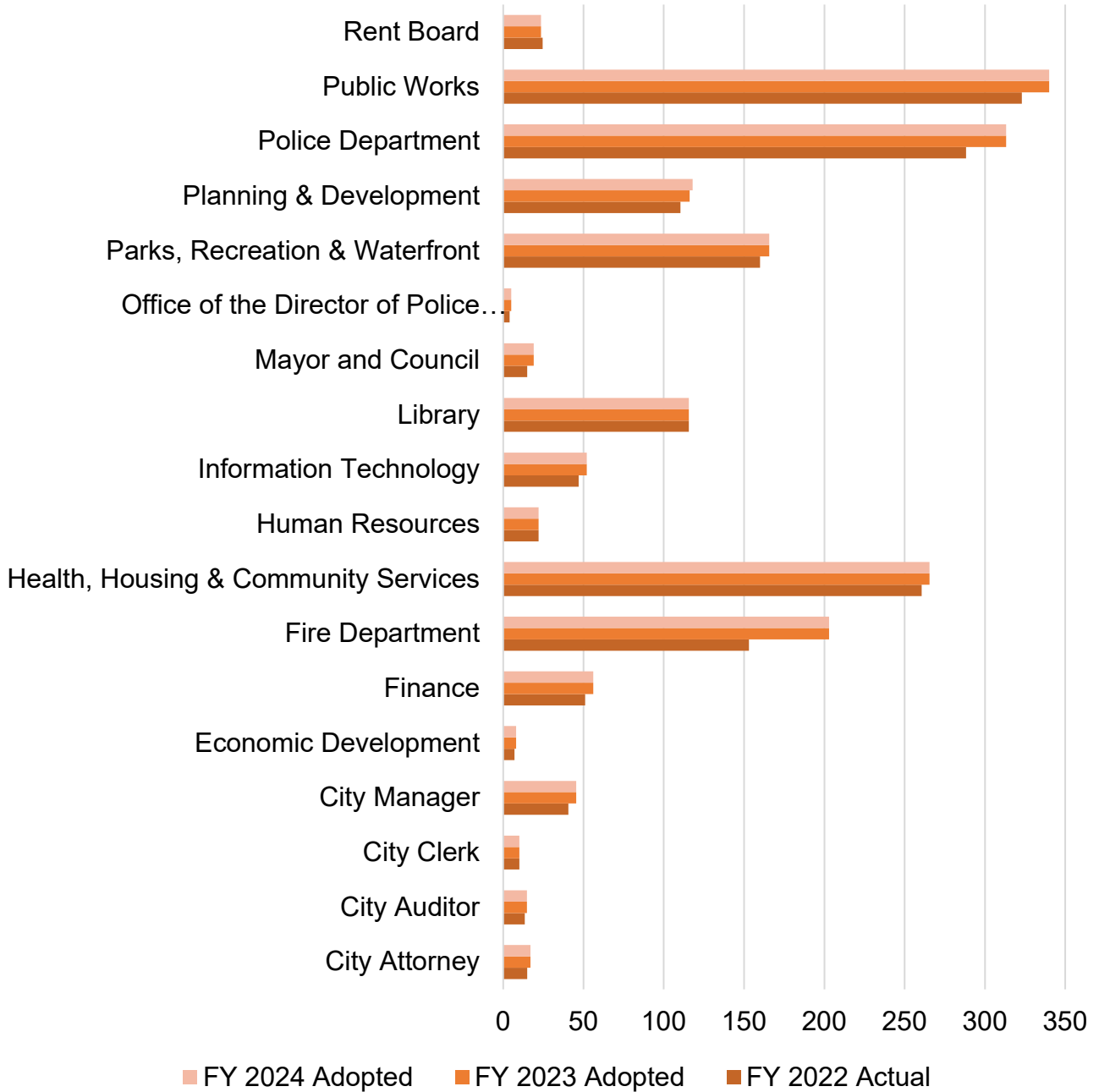
STAFFING TRENDS BY DEPARTMENT

Public Works, Police, and Health Housing & Community Services are the top three departments with the greatest number of employees. The overall citywide staffing level has a steady incline ranging from 1.22% to 7.93% per fiscal year since 2018.

Department Staffing Trend

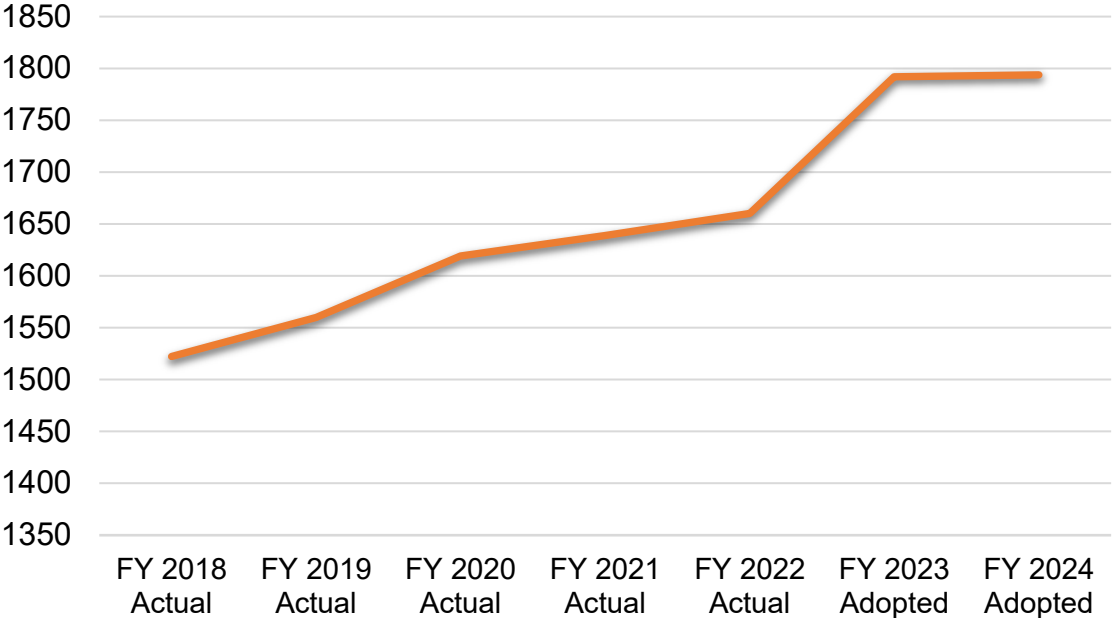


FY 22 Actual & FY 23 – FY 24 Adopted FTE



The line chart denotes the citywide staffing trend from FY 2018. The primary driver of growth in FY 2022 to FY 2023 is from Fire Department, Police Department, and Public Works Department, with the addition of 50, 25, and 14 positions respectively. This increase in staffing is for service enhancements and to effectual new program and project implementations, including the Reimagining Public Safety initiative.

Full Time Equivalent Employee (FTE) Total

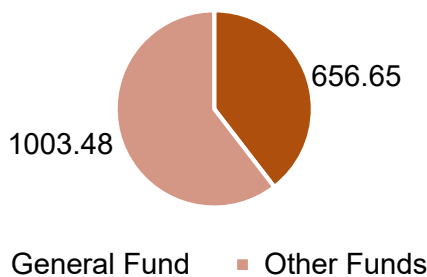


FY 23 & FY 24 STAFFING BY FUNDING SOURCE

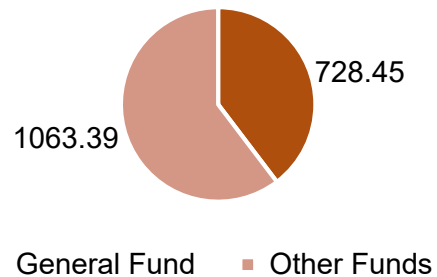
The following table represents the adopted staffing by funding source. Approximately 41% of the total positions in FY 2023 and 2024 are funded by General Fund and 59% from all other funds. The portion of funding allocation is almost similar compared to the FY 2022 Adopted Budget as indicated in the charts below.

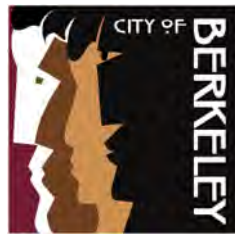
Department	FY 2023 Total FTE	FY 2023 General Fund FTE	FY 2023 All Other Funds FTE	FY 2024 Total FTE	FY 2024 General Fund FTE	FY 2024 All Other Funds FTE
City Attorney	17.00	15.75	1.25	17.00	15.75	1.25
City Auditor	14.75	14.00	0.75	14.75	14.00	0.75
City Clerk	10.00	9.43	0.57	10.00	9.43	0.57
City Manager	45.50	44.50	1.00	45.50	44.50	1.00
Economic Development	8.00	7.19	0.81	8.00	7.19	0.81
Finance	56.00	46.00	10.00	56.00	46.00	10.00
Fire Department	203.00	129.51	73.49	203.00	129.51	73.49
Health, Housing & Community Services	265.58	78.76	186.82	265.58	78.76	186.82
Human Resources	22.00	13.70	8.30	22.00	13.70	8.30
Information Technology	52.00	0.00	52.00	52.00	0.00	52.00
Library	115.60	0.00	115.60	115.60	0.00	115.60
Mayor and Council	19.00	19.00	-	19.00	19.00	-
Office of the Director of Police Accountability	5.00	5.00	-	5.00	5.00	-
Parks, Recreation & Waterfront	165.62	24.88	140.74	165.62	24.88	140.74
Planning & Development	116.04	15.74	100.30	118.04	15.74	102.30
Police Department	313.20	281.00	32.20	313.20	281.00	32.20
Public Works	340.00	23.99	316.01	340.00	23.99	316.01
Rent Board	23.55	0.00	23.55	23.55	0.00	23.55
Total	1,791.84	728.45	1,063.39	1,793.84	728.45	1,065.39

Actual FY 22 FTE



Adopted FY 23 FTE





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STRATEGIC PLAN

The Strategic Plan identifies the long-term goals and short-term priorities that the City government will focus on to benefit the Berkeley community.

In early 2016, a team led by an Assistant to the City Manager, composed of staff volunteers from the Human Resources, Planning, and Police departments, conducted two dozen meetings with staff, the unions, and City Council to identify the City's strengths and challenges. The team identified common themes, drafted goals for the organization and presented them to the public and City staff for input. Staff attended an "Appreciation Event", where they had the opportunity to dot vote on the goals that most resonated with them. A survey was also conducted on Berkeley
Considers—1,200 people visited the survey and 749 responded and prioritized the goals. This process resulted in the nine goals included within the strategic plan. After a number of department meetings, a Managers Retreat and a Council Retreat, the Strategic Plan was adopted by City Council in January 2018 and incorporated into the budget. Performance measures were subsequently included as part of the budget process in the fall of 2020.

For each goal in the Strategic Plan, there are a number of Priorities (i.e., projects). Priorities are short-term projects or phases of projects that can be completed within the two-year budget cycle and advance progress on a goal. Priorities are refreshed each budget cycle as part of budget development.

Strategic Plan projects are those which:
Advance a Strategic Plan Goal; Have resources identified in the budget to carry it out (or at least a phase of it); Have a clear scope of work and proposed start/end dates; Are not part of "baseline" services and Usually involve multiple departments.

Departments have identified strategic plan priorities within the departmental budget narrative section of the document. This narrative includes the goal, a description of the project or program, the timeline for completion and the estimated budget. Additional information on the City's strategic Plan and project status is available at <https://berkeleyca.gov/your-government/our-work/strategic-plan>

STRATEGIC PLAN GOALS

- **Create affordable housing and housing support services for our most vulnerable community members.**
- **Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment.**
- **Champion and demonstrate social and racial equity.**
- **Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities.**
- **Create a resilient, safe, connected, and prepared City.**
- **Foster a dynamic, sustainable, and locally-based economy.**
- **Provide an efficient and financially-healthy City government.**
- **Attract and retain a talented and diverse City government workforce.**
- **Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community.**



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DEPARTMENT BUDGETS

This section contains a summary for various City departments and other public entities, including the Berkeley Public Library and the Rent Stabilization Board. Each narrative includes a mission statement; an overview of the organizational structure and core services provided by the department; a financial summary that includes expenditures by type, by division, and by funding source; strategic plan priorities, projects and programs; performance measures; anticipated challenges in the upcoming fiscal years; accomplishments achieved in the current fiscal year and highlights of significant changes in the budget compared to the prior year (FY 22 Adopted) budget.

The FY 23 and FY 24 Adopted Budget reflects additional expenditures approved as part of the budget adoption process. The majority of these expenditures are referenced as “Tier 1 Funding” within the expenditure by type and division. These enhancements are funded by either the General Fund, or in some cases, by the Capital Improvement Program Fund (CIP), which receives its funding from General Fund revenues.



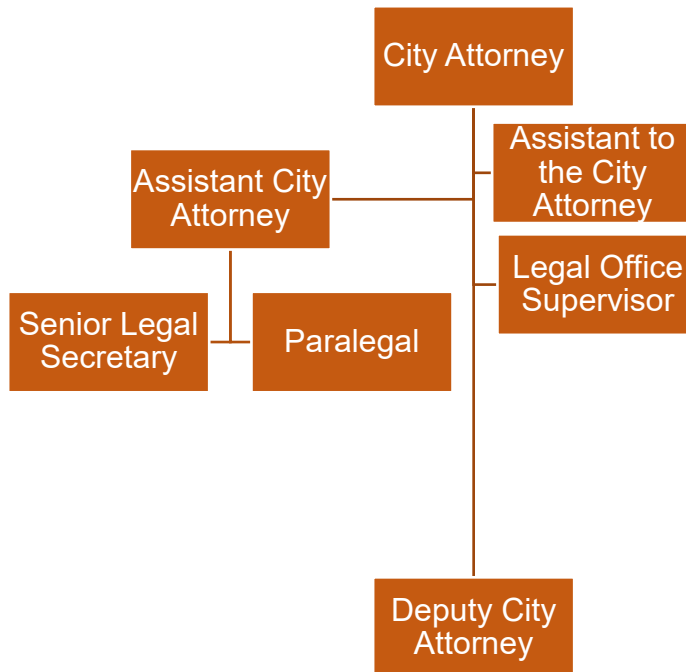
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CITY ATTORNEY'S OFFICE

MISSION STATEMENT

The mission of the City Attorney's Office is to provide the City with the highest caliber legal services and advice and to protect and advance the interests of this dynamic City by all legal and ethical means.

ORGANIZATIONAL CHART



CITY ATTORNEY'S OFFICE OVERVIEW

The City Attorney's Office provides legal advice and support to the entire City, including the City Council, City Manager, all City Departments, as well as appointed City Boards and Commissions. In addition, the City Attorney's Office:

- Supports the City in its legislative and policy efforts;
- Responds to claims and represents the City in a wide array of litigation;
- Brings litigation on behalf of the City to protect the City's interests;
- Drafts and/or reviews contracts, leases, ordinances, and resolutions;
- Provides advice and legal analysis regarding ballot measures;
- Provides legal support to the City's response to the COVID-19 pandemic;
- Provides legal support to City affordable housing programs;

- Supports City staff in enforcement of the City's laws and regulations;
- Supports the City in land use and development efforts and modernizing its planning and zoning framework;
- Supports infrastructure projects and economic development efforts;
- Responds to Public Records Act (PRA) requests on behalf of the City Council, as well as coordinating responses to PRA requests that involve multiple departments;
- Staffs the Fair Campaign Practices Commission and the Open Government Commission;
- Provides support to the City's Independent Redistricting Commission
- Provides support to the Police Accountability Board and the Reimagining Public Safety Task Force;
- Acts as the Risk Manager for the City; and
- Provides training to City staff, City Council, and City Boards and Commissions on a range of legal issues, including the Brown Act, the Public Records Act, California Environmental Quality Act (CEQA), and conflicts of interest.

CITY ATTORNEY'S OFFICE FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	2,162,620	2,615,730	3,471,032	2,422,856	3,974,284	4,043,357
Services and Materials	2,174,097	3,379,051	3,569,479	3,541,554	3,595,679	3,595,679
Capital Outlay	-	-	4,790	-	4,790	4,790
Internal Services	219,260	219,586	232,795	236,045	232,795	232,795
Indirect Cost Transfer	-	-	-	-	-	-
Adopted Tier 1 Funding *	-	-	-	-	755,140	676,400
	4,555,976	6,214,367	7,278,096	6,200,455	8,562,688	8,553,021
By Division:						
Administration	580,347	606,870	589,939	697,464	699,497	706,117
Legal Advice & Litigation	3,975,629	5,607,497	6,688,157	5,502,992	7,108,051	7,170,504
Adopted Tier 1 Funding *	-	-	-	-	755,140	676,400
	4,555,976	6,214,367	7,278,096	6,200,455	8,562,688	8,553,021
By Fund:						
General Fund	2,217,772	2,760,048	3,434,164	2,648,007	4,765,390	4,741,679
Public Liability	2,338,204	3,310,972	3,843,932	3,552,449	3,797,298	3,811,342
Other	-	143,347	-	-	-	-
	4,555,976	6,214,367	7,278,096	6,200,455	8,562,688	8,553,021

* includes department requests and Council approved budget referrals

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

The City Attorney's Office has no Strategic Plan Projects and Programs in FY 23 - 24 where it serves as the lead department. However, the Office serves as a support department to most projects by providing legal advice, review, and defense.

CHALLENGES

The City Attorney's Office's challenges/opportunities include:

- **Increased Need to Support New Policy Initiatives:** The City Council created a set of Policy Committees to help navigate new policy initiatives. The City Attorney staffs these meetings routinely and plays a central role in providing legal advice throughout the legislative process. The number and complexity of new ordinances and other policy initiatives by the City Council or by City Boards or Commissions require significant City Attorney staff time to assist with drafting legislation and navigating legal issues. The propensity of the City Council to pursue groundbreaking, innovative legislation requires significant research and analysis prior to the adoption of the legislation, and the City Attorney's Office is also responsible for defending legal challenges to the legislation.
- **Increasing Number of Complex Litigation Matters:** An evolving legal landscape and the need to support City Council and staff priorities has resulted in an increasing number of complex litigations being handled by the City Attorney's Office. The City is also pursuing a number of initiatives proactively and has filed affirmative lawsuits to protect the City's interests. The prosecution and defense of these lawsuits requires additional resources and time for the legal staff. In addition, City Attorney staff has been heavily involved in navigating the legal issues surrounding the new UC Berkeley Long Range Development Plan.
- **Substantially Increased Volume of Public Records Act Requests:** The number and scope of Public Records Act requests fielded by the City Attorney's Office has generally increased over the past seven years, with a substantial uptick in 2021 and 2022. Responding to these requests increasingly calls for the review and production of voluminous electronic records. With the advent of new Police Record Disclosure Laws, there is a new body of work that the City Attorney's Office is supporting that did not exist previously.

ACCOMPLISHMENTS

Highlights of recent City Attorney's Office accomplishments include:

- **Continued to support the City's COVID-19 Response:** The City Attorney's Office continued to support the City's wide-ranging efforts to deal with the COVID-19 response, including through implementation of both a vaccine verification requirement for local businesses, and a vaccination mandate for City employees. In addition, the City Attorney's Office remained integrated into the City's Emergency Operation Center and provided daily support for the City's COVID-19 response. The Office drafted Health Officer orders necessary to respond to the COVID-19 emergency, provided legal support for the public health response to serious outbreaks of COVID-19, and supported the Health Officer in issuing timely orders that responded to the changing conditions of the pandemic.
- **Supported major projects such as the Bayer Development Agreement and settlement with the University of California over its Long-Range Development Plan:** Bayer will contribute \$33 million in community benefits over the course of a 30-year development agreement for their West Berkeley facilities. The University will provide \$84 million to defray costs incurred by the City associated with the campus through 2036. The University will also provide significant services for the unhoused population near People's Park.
- **Supported the City's Efforts to Reimagine Public Safety:** The City Attorney's Office partnered with the City Manager's Office, the Police Advisory Board, the Reimagining Public Safety Task Force, and others to begin implementing the Council's vision of a comprehensive new approach to public safety, including a new Use of Force policy.
- **Public Records Act Modernization and Accountability:** The City Attorney's Office responded directly to over 130 Public Records Act (PRA) requests and provided support and training to City departments on a wide array of PRA issues, including a comprehensive update of the City's Public Records Act policy. The Office supported the migration of the City's PRA response workflow to the NextRequest platform. The Office responded to and provided support to City departments for a variety of complex, high-profile requests, including requests from the Police Department and requests relating to the City's COVID-19 response.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 Adopted Budget increases by \$1,284,592, or 17.65% over the FY 22 Adopted Budget of \$7,278,096. This is primarily due to an increase of \$1,053,252 in salaries and benefit costs. The FY 23 and FY 24 Adopted Budget includes the following approved funding requests:

- **Operations:**
 - Deputy City Attorney II/III: \$300,000 in both FY 23 & FY 24
 - Assistant to the City Attorney: \$250,000 in both FY 23 & FY 24
 - Installation and annual license of Case Management Software: \$55,340 (FY 23) and \$26,600 (FY 24)
 - Office Upgrades: \$50,000 (FY 23)
 - Training and professional development: \$39,800 in both FY 23 & FY 24

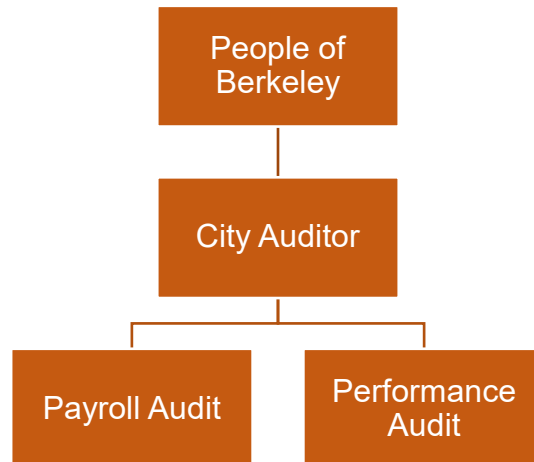
- **Council Budget Referrals:**
 - Charter Officer Performance Review: \$60,000 in both FY 23 & FY 24

CITY AUDITOR'S OFFICE

MISSION STATEMENT

The mission of the City Auditor's Office is to promote transparency and accountability in Berkeley government. Integrity, independence, impact, and inclusion are core tenets of our operations. Those values ensure the Office conducts its audits with the interest of the Berkeley community in mind to provide a fair, balanced, and objective opinion on the status of the City operations being audited.

ORGANIZATIONAL CHART



CITY AUDITOR'S OFFICE OVERVIEW

The City Auditor is an elected official who serves the residents of Berkeley. The City Charter and Berkeley Municipal Code provide the City Auditor's Office the authority and responsibility for conducting performance, financial, and compliance audits, and monitoring citywide payroll operations to ensure payroll transactions are processed accurately and timely. The City Auditor's Office plays a vital role in ensuring taxpayer money is spent efficiently, economically, effectively, and equitably, and for examining payroll for compliance with employee compensation policies, laws, and regulations.

The City of Berkeley Auditor's Office is divided into two divisions, performance audit and payroll audit:

- **Performance Audit Division:** The performance audit division focuses on assessing City activities and making recommendations to the City Council and City Manager on how to improve program performance. Other services include publicly reporting audit results and reporting on management's progress implementing audit recommendations or any hindrances to implementation.
- **Payroll Audit Division:** The payroll audit division coordinates and monitors certain portions of the Citywide payroll operations, including assisting management with compliance on federal, state, and local tax and labor laws. While decisions about pay are not within the purview of this office, consistent review of various parts of the City payroll system helps prevent fraud and address incorrect payments.

CITY AUDITOR'S OFFICE FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	2,240,439	2,227,535	2,503,968	2,392,732	2,550,496	2,573,982
Services and Supplies	60,455	68,948	70,833	51,691	72,385	72,385
Capital Outlay	-	-	5,603	19,256	4,051	4,051
Internal Services	226,231	229,599	225,479	224,979	225,479	225,479
Indirect Cost Transfer	-	-	-	-	-	-
Adopted Tier 1 Funding*	-	-	-	-	248,965	248,965
	2,527,125	2,526,081	2,805,883	2,688,657	3,101,376	3,124,862
By Division:						
Administration	496,512	505,804	509,508	525,315	670,404	680,254
General Audit	940,218	997,583	1,078,198	976,648	975,422	972,747
Payroll Audit	1,090,395	1,022,695	1,218,177	1,186,695	1,206,585	1,222,896
Adopted Tier 1 Funding*	-	-	-	-	248,965	248,965
	2,527,125	2,526,081	2,805,883	2,688,657	3,101,376	3,124,862
By Fund:						
General Fund	2,432,086	2,467,028	2,705,379	2,624,179	3,006,058	3,026,481
Workers' Compensation	95,039	59,054	100,504	64,478	95,318	98,381
	2,527,125	2,526,081	2,805,883	2,688,657	3,101,376	3,124,862


* includes department requests and Council approved budget referrals

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

The City Auditor operates as an independent elected office to fulfill the responsibilities established in the City Charter to conduct performance and financial audits or special studies of any phases of the City of Berkeley government in accordance with government auditing standards. While the performance audit and payroll audit divisions consider the Strategic Plan, the City Auditor creates an independent internal work plan based on risks and input from stakeholders, including community input, in fulfilling its charter mandated responsibilities.

PERFORMANCE MEASURES SUMMARY

The below table summarizes the City Auditor’s Office performance measures.

Measure	Description	Target	Actual	Tracking
Reports issued	Count of total reports (i.e., audit, informational, report on follow-ups)	n/a ¹	<ul style="list-style-type: none"> 3 reports 	n/a
Recommendations issued	Count of all issued recommendations; count of recommendations by type	n/a	14 recommendations: <ul style="list-style-type: none"> 2 Transparency & Accountability 6 Efficiency & Effectiveness 6 Internal Controls 	n/a
Accurate, correct paychecks	Number of accurate and correct paychecks	99%	<ul style="list-style-type: none"> 99.3% accuracy with implementation of new payroll system 	
Corrections made to personnel actions (PAs)	Number of PAs in which Payroll Audit identified and corrected errors	↓	<ul style="list-style-type: none"> 97% (calendar year 2021) 	n/a ²

 Meeting/exceeding target

 Near target

 Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

¹ The number of reports and recommendations issued varies depending on capacity, need and issue being addressed.

² 97% of audited PAs had errors that Payroll Audit identified and corrected. Payroll Audit continues to work with the Human Resources Department to improve the accuracy of PAs submitted to Payroll Audit. Additionally, as described elsewhere, the City Auditor is seeking additional staffing to help with corrections until accuracy improves.

CHALLENGES

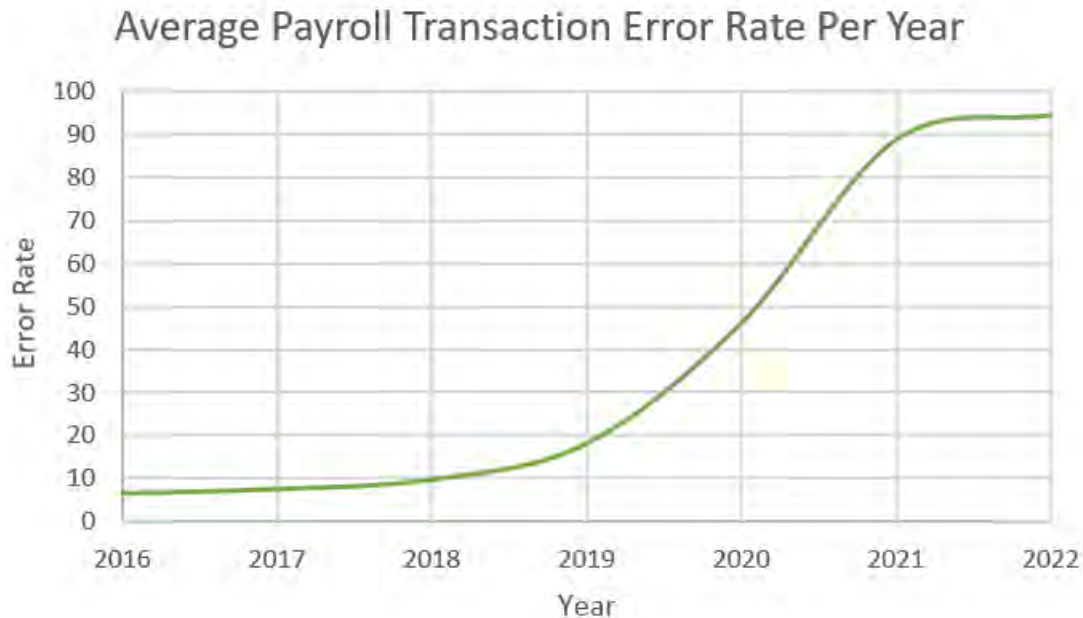
The City Auditor's Office challenges include:

- **COVID-19 Pandemic:** The Auditor's Office had to shift priorities due to the City's focus on the pandemic response. Certain functions were put on hold during the pandemic, including following up with City departments on outstanding audit recommendations. Challenges in the upcoming budget cycle will include reimplementing these functions and working with departments to address overdue audit recommendations.
- **Employee Self Service and ExecuTime:** The Payroll Audit Division will work with City management, including the Information Technology Department and Human Resources (HR) to roll out the Employee Self Service (ESS) portal. Employees will be able to change their tax withholdings and print copies of their paystubs and W-2 forms using this system. Payroll audit will also play a critical role in implementing ExecuTime. The ExecuTime System will improve productivity and efficiency by reducing the risk of erroneous time entries and preventing fraud and improper payments. The payroll audit division may experience challenges managing logistical issues and troubleshooting errors during implementation. Payroll audit will be ready to assist during this process dependent on City management's timeline to ensure a smooth transition.
- **ERMA³ Implementation:** The Payroll Audit Division has faced continued challenges in managing the transition from FUND\$⁴ to the ERMA system. Payroll Audit has needed to troubleshoot logistical issues and answer user questions. The new system has additionally contributed to higher payroll error rates. While payroll errors from across departments are expected with the implementation of a new system, payroll audit has had to spend more time auditing payroll transactions and correcting errors. Payroll Audit has also increased its time in providing information and assistance to city management in resolving ERMA implementation challenges. Moving forward, Payroll Audit will continue to monitor system implementation and respond to any challenges that arise.
- **HR Payroll Transaction Error Rate:** The Payroll Audit Division has dealt with an increase in errors from HR payroll transactions. Payroll Audit reviews these HR transactions and corrects any errors to ensure city employees receive accurate payments. The error rate has increased over time, from an average of 6.7 percent in 2016 to 94.5 percent in 2022.

³ The City's new enterprise resource planning (ERP) software, referred to as ERMA (Enterprise Resource Management Application).

⁴ The City's legacy enterprise resource planning (ERP) software, referred to as FUND\$ (Financial Utility Network Data \$system).

Since March 2021, the error rate has been over 85 percent for all transactions. The following graphic demonstrates the yearly change in average error rate across all transactions:



The increase in the error rate places a greater burden on the Payroll Audit Division, and requires more time and resources to catch and correct errors.

ACCOMPLISHMENTS

Highlights of the City Auditor's Office accomplishments include:

- **Performance Audit Division:** The Performance Audit Division won the 2020 Exemplary Knighton Award in the Small Shop Category from the Association of Local Government Auditors (ALGA) Awards Program Committee for the audit titled *Rocky Road: Berkeley Streets at Risk and Significantly Underfunded*. This was awarded on April 8, 2021. Performance Audit has also made strides in increasing the accessibility of its work by translating its report highlights pages into Spanish. The Auditor's Office continues to prioritize the accessibility and transparency of its audits.
- **Payroll Audit Division:** The Payroll Audit Division assisted in the implementation of ERMA, the new Windows-based payroll system that allows for modernized payroll operations. In 2021, the first year of operation, Payroll Audit devoted many weekly hours to troubleshooting bugs, streamlining processes, and assisting City management in resolving issues. This process will continue as the Division learns more about the new system's functionalities.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 Adopted Budget increases by \$295,493, or 10.53% over the FY 22 Adopted Budget of \$2,805,883. This is primarily due to an increase of \$292,993 in salaries and benefit costs. The FY 23 and FY 24 Adopted Budget includes the following approved funding requests:

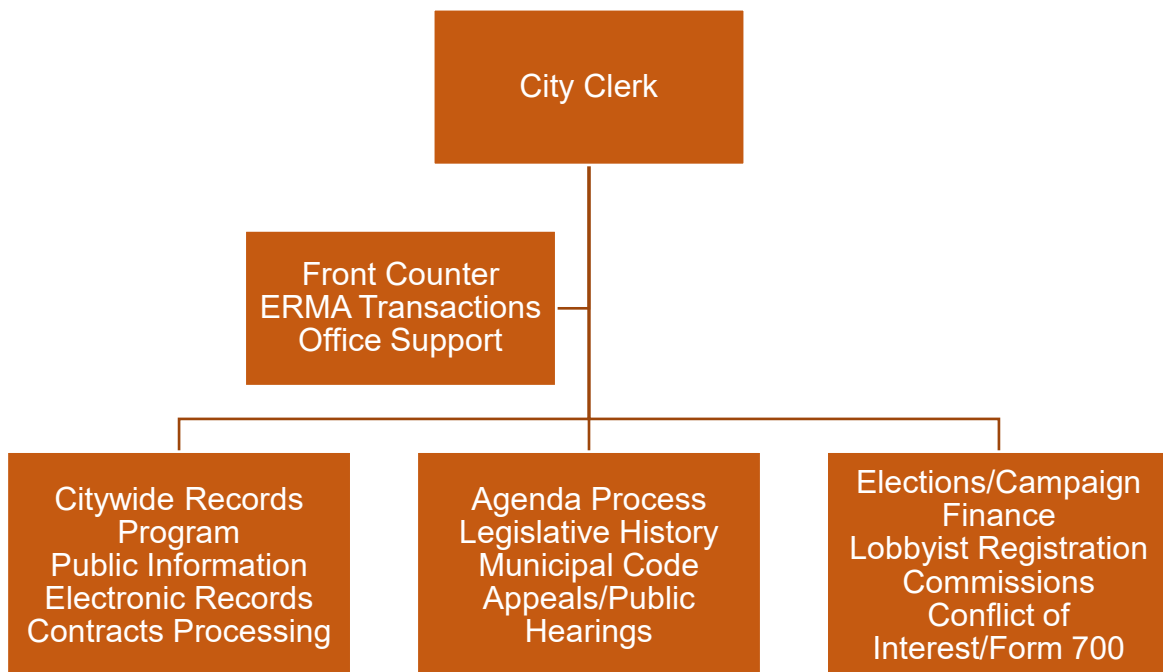
- **Operations:**
 - Accounting Office Specialist III (increase from 0.50 FTE to 0.75 FTE): \$36,268 in both FY 23 & FY 24
 - Payroll Audit Overtime: \$25,000 in both FY 23 & FY 24
 - Auditor II (2-year temporary position): \$185,197 in both FY 23 & FY 24

CITY CLERK DEPARTMENT

MISSION STATEMENT

The City Clerk Department provides Citywide oversight for legislative proceedings of the City Council and its committees. As the Elections Official and Filing Officer, the City Clerk administers municipal elections, campaign finance, and conflict of interest regulations. As the Records Manager, the Department administers the Citywide Records Management Program to maintain the integrity of documented actions of the legislative bodies, and accessibility to the public. The Department performs all mandated functions under the United States Constitution, the Constitution of the State of California, State Codes, the Charter of the City of Berkeley, and the Berkeley Municipal Code.

ORGANIZATIONAL CHART



CITY CLERK DEPARTMENT

The City Clerk Department delivers the following services as summarized on the following page:

- **City Council and Commission Support:** City Clerk staff prepares the agendas, agenda packets, minutes, and legal notices for the City Council, the Successor Agency to the Redevelopment Agency, and the Joint Powers Financing Authority, and provides for the captioning and indexing of meeting video streams. The City Clerk provides support to all six City Council Policy Committees and completes the necessary arrangements to ensure an effective meeting. It administers the commission appointment process, maintains information regarding the commission rules and regulations, and serves as an advisor for commission secretaries.
- **Legislative History:** The City Clerk facilitates, manages, and supports the meetings of the City Council, the Successor Agency to the Redevelopment Agency, the Joint Powers Financing Authority, and Council Policy Committees, and maintains the legislative history of the City (i.e., ordinances, resolutions, minutes), including the Charter and the Municipal Code.
- **Public Information and Records:** The Department provides general information and services to the public including: 1) administration of the Domestic Partnership Registry; 2) codification of the Municipal Code; and 3) access to public information and records. Members of the public are welcome to visit the City Clerk Department to research and review legislative actions, candidate and ballot measure information, campaign and conflict of interest filings, registered lobbyists disclosure statements, and other public information. City Clerk staff maintains a broad range of information on the City's website at <https://berkeleyca.gov/your-government/about-us/departments/city-clerk-department>. The Department also maintains the Records Online public access portal. This portal provides the public with quick and easy access to vital City records such as minutes, ordinances, resolutions, staff reports, election information, and contracts.
- **Citywide Records Management:** The City Clerk is the Custodian of Records for the City and as such, administers the Citywide Records Program, prepares and maintains the City's Records Retention Schedule and provides education to departments on the principles of records management and industry best practices by providing trainings, guidance, and advice as needed. The City Clerk contracts with an off-site records storage facility where 11,000 boxes of City records are stored. The Department is responsible for managing the storage, retrieval, retention, and authorized destruction of all official City records.
- **Campaign and Conflict Law:** The City Clerk is the local Filing Officer for the State of California. The City Clerk maintains regulations and forms under the State's Political Reform Act, Berkeley's Election Reform Act and Lobbyist Registration Act, and the Berkeley public financing ordinance. All local campaign committees are required to file campaign statements with the City Clerk. All designated employees, elected officials and appointed commissioners are required to file conflict of interest statements with the City Clerk.

- **Elections:** The City Clerk is the Elections Official and administers the City's regular and special municipal elections in accordance with state and local laws including: 1) the nomination process for candidates for Mayor, Council, Auditor, Rent Board, and School Board; 2) processing and managing the initiative, referendum, and recall petitions; 3) ballot measure argument filing; 4) coordination with the Alameda County Registrar of Voters for regular and special elections services; and 5) ensuring transparency, accessibility, and equity in the public's engagement with the municipal election process.

The City Clerk is the Charter-designated secretary for the Independent Redistricting Commission, a 13-member commission tasked with redrawing the Council district boundaries after each decennial census.

CITY CLERK DEPARTMENT FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	1,529,902	1,672,456	1,631,778	1,569,165	1,717,321	1,806,586
Services and Materials	351,865	1,340,663	1,066,477	653,723	1,180,477	1,180,477
Capital Outlay	4,097	-	25,390	-	25,390	25,390
Internal Services	183,877	181,085	178,094	179,954	178,094	178,094
Indirect Cost Transfer	-	-	-	-	-	-
Adopted Tier 1 Funding *	-	-	-	-	400,000	-
	2,069,740	3,194,204	2,901,739	2,402,842	3,501,282	3,590,547
By Division:						
Administration	181	75	-	105	-	-
Operations	1,195,180	1,242,529	1,231,243	1,300,315	2,084,662	2,170,976
Records Management	479,525	459,841	576,543	390,388	133,600	133,600
Elections	394,855	1,491,759	1,093,953	712,034	883,020	885,971
Adopted Tier 1 Funding *	-	-	-	-	400,000	-
	2,069,740	3,194,204	2,901,739	2,402,842	3,501,282	3,590,547
By Fund:						
CIP	-	-	-	-	400,000	-
General Fund	2,069,740	2,832,552	2,396,737	2,235,757	2,590,414	2,676,728
Fair Elections	-	361,652	505,002	167,085	510,868	513,819
	2,069,740	3,194,204	2,901,739	2,402,842	3,501,282	3,590,547

* includes department requests and Council approved budget referrals

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide an efficient and financially healthy City government	Finance, Information Technology	Citywide Contract Creation and Approval Paperless Workflow	Implement a new paperless system for the compiling, routing, approval, and retention of city contracts.	7/22-6/23	New	\$400,000 Funded

PERFORMANCE MEASURES SUMMARY

The below table summarizes the City Clerk Department’s performance measures. More detailed information is available in the Performance Measures appendix to this document.

Measure	Description	Target	Actual	Tracking
Number of City Council legislative items collated, tracked per agenda and minutes	Count of items per meeting (from meeting agenda plus any added items reflected in minutes)	n/a ⁵	807 items	n/a

⁵ There are no “targets” as the number of items is directly dependent on the amount of City Council activity in a given year.

Measure	Description	Target	Actual	Tracking
Number of Policy Committee legislative items collated, tracked per agenda and minutes	Count of items per meeting (from meeting agenda plus any added items reflected in minutes); the same items appear on multiple agendas and must be processed and compiled anew for each meeting (including amendments and revised versions)	n/a	545 items	n/a
Number of records indexed in the public portal	Count of records indexed to the portal	n/a	2,570 records	n/a
Number of City Council meetings and Policy Committee meetings administered	Total count of City Council and Policy Committee meetings	n/a	170 meetings	n/a
Number of disclosures processed	Count of campaign finance filings, lobbyist disclosures, and Form 700 filings	n/a	<ul style="list-style-type: none"> • 208 campaign finance filings • 126 lobbyist disclosures • 1,203 Form 700 filings 	n/a
Number of communications the City Clerk receives	Count of communications	n/a	4,086 communications	n/a

CHALLENGES

City Clerk Department challenges include:

- **Election Cost Uncertainty:** The City relies on the Alameda County Registrar of Voters to provide election services to the city for regular election activities as well as the additional cost of Ranked-Choice Voting. Election services have seen a steep increase since 2018, with the City's first million-dollar election in 2020. It is uncertain at this time how recent state mandates and the pandemic will affect election costs on an ongoing basis. The billable costs of the November 2022 election should provide a more stable baseline for election cost allocations in future years.
- **New Mandated Programs:** Four new mandated programs, the Public Financing Program (2016 & 2021), Lobbyist Registration (2019), City Council Policy Committees (2019), and Redistricting Commission (2020), have added significant demands to the staffing capacity of the City Clerk Department. The added time demands for the mandated programs has resulted in a decreased level of service to customers in the regulated community. For example, the Department is not able to offer the same level of assistance to campaign committee treasurers as was possible in past elections. Instead of being able to work with treasurers to troubleshoot issues and find solutions to inquiries, staff must only direct treasurers to the controlling regulation in order to be able to meet all competing demands. In 2021, the Public Financing Program was expanded to allow candidates for Auditor, Rent Board, and School Board to participate in the public funds matching scheme. This will place additional demands on staff time to review and process paperwork and matching funds requests from the newly added offices. The amount of funds allocated from the Fair Elections Fund is capped in the City Charter, so no new funds can be allocated from the Fund for administrative costs.
- **Continuous Demands for Increased Technology Services:** The City Clerk Department relies heavily on external software to automate processes and also has a high demand for service from the Department of Information Technology.

ACCOMPLISHMENTS

Highlights of recent City Clerk Department accomplishments include:

- **Administration of the 2021-2022 Redistricting Process:** The City Clerk Department was the primary support department for the Independent Redistricting Commission. The Commission process started in September of 2020 and concluded in May of 2022. The City Clerk supported all aspects of the Commission - staffing 31 meetings, conducting virtual and in-person outreach activities, assisting with map drafting, compiling and publishing 80 Community of Interest Forms and 270 written communications, coordinating with professional consultants, the City Attorney, IT, and mapping software vendors. The process was completed on-time and within budget during the pandemic and on a compressed timeline to meet the deadline to use the new districts in the 2022 election.
- **Development and Testing of Hybrid Meeting Procedures:** The City Clerk Department has researched, developed, tested, and refined procedures and technology needs for the conduct of “hybrid” meetings of legislative bodies. Two successful test meetings were conducted at the Berkeley Unified School District Boardroom in preparation for the return to in-person meetings later in May 2022.
- **Enhancements and Upgrade to Commissioner Tracking Software:** City Clerk staff collaborated with the IT Department and outside consultants to significantly upgrade the Commissioner Tracking System (CTS) to replace outdated legacy databases and ensure the continued reliability and accuracy of commissioner data. The CTS database is an essential system that is used every day to track and report on commissioner appointments, resignations, leaves of absences, temporary appointments, mandated filings, and term limits for the City’s 300 volunteer commissioners.

SIGNIFICANT CHANGES FROM PRIOR YEAR’S BUDGET

The FY 23 Adopted Budget increases by \$599,543, or 20.66% over the FY 22 Adopted Budget of \$2,901,739. This is primarily due to an increase of \$85,543 in salaries and benefit costs. The FY 23 and FY 24 Adopted Budget includes the following approved funding request:

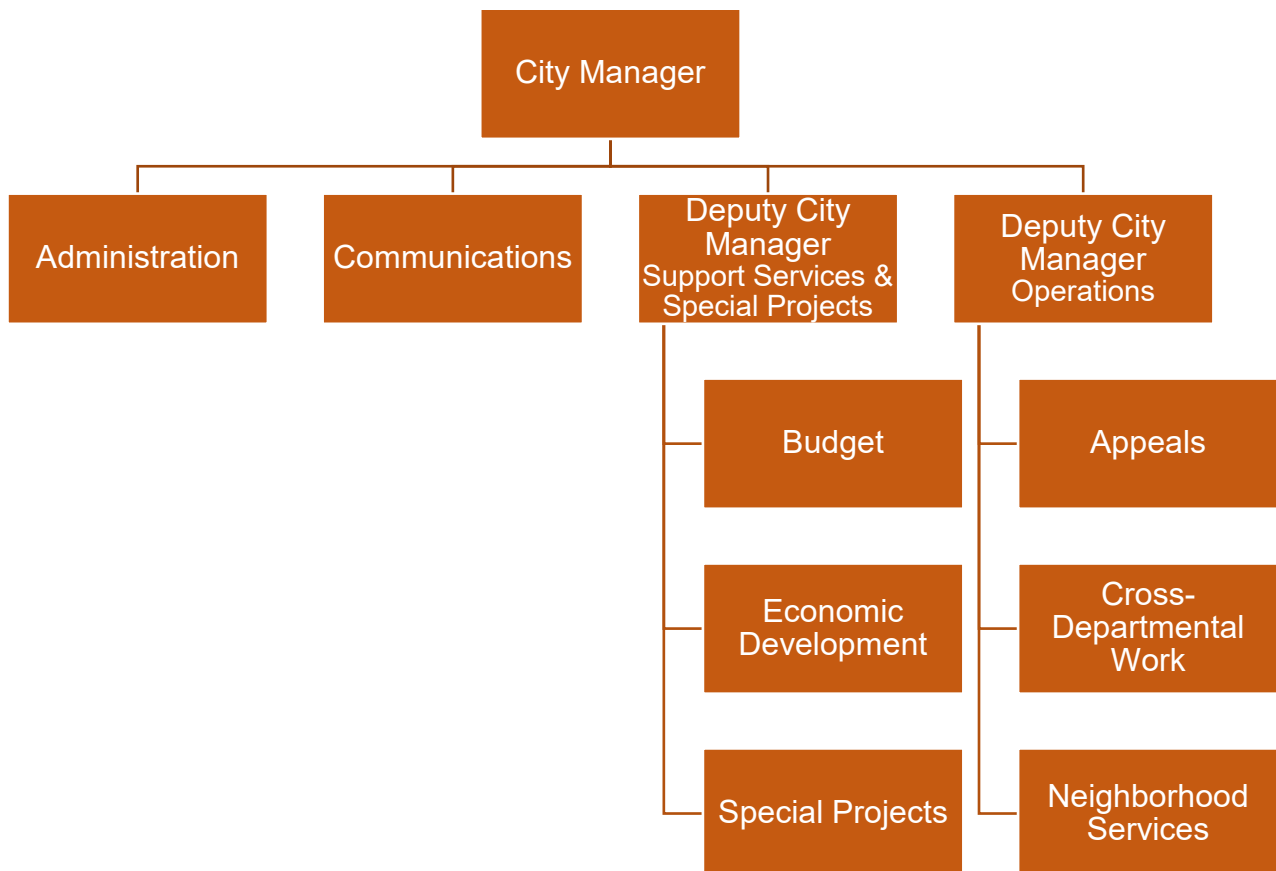
- **Operations/Capital Project:**
 - Paperless Contracts Workflow System: \$400,000 (FY 23)

CITY MANAGER'S OFFICE

MISSION STATEMENT

The mission of the City Manager's Office is to build and maintain, through sound management principles and community participation, an effective City government organization; to ensure the effective delivery of services; to provide the management direction and support for the planning, implementation, and evaluation of all City programs; and to ensure coordination and consistency in implementing policies and programs approved by the City Council.

ORGANIZATIONAL CHART



CITY MANAGER'S OFFICE OVERVIEW

As the Chief Executive Officer of the City of Berkeley, the City Manager is responsible for ensuring the overall effectiveness of the city organization, for acting as a conduit between the legislative and executive branches and presenting Council with a balanced budget. Within the City Manager's Office, the City Manager also directly oversees several divisions and major programs that deliver the following services:

- **Communications:** The Communications division elevates and coordinates the work of every department by using information designed for modern digital tools to efficiently align the public's needs with City services. The division builds and maintains a variety of complex tools that represent the City in the public sphere, most prominently in the overhaul and reinvention of the City's website, engaging use of social media and the management of citywide listservs for all departments. These roles are amplified in emergencies, when the rapid dissemination of coordinated information is critical to building trust and leading people to safety. Communications has led crisis communications efforts that require multi-agency coordination for public safety power shutoffs (PSPS), fire weather, protests, and, most prominently, for COVID-19.
- **Office of Budget and Fiscal Management:** The division is primarily responsible for the preparation, development and management of the City's budget. The division provides financial analysis and support to the City Council and the Budget and Finance Policy Committee in particular; reviews Council agenda items and contracts; assists with special projects and processes payroll for the City Manager's Office, the Mayor and Council, the City Attorney's Office, the City Clerk's Office, the Human Resources Department, the Office of Police Accountability, and for the Berkeley Unified School District (BUSD) Board of Education.
- **Special Projects - Enterprise Resource Planning (ERP):** The ERP team leads the Citywide effort to replace the City's decades-old system of integrated applications that manage city operations and many internal functions related to finance, budgeting, technology, services, and human resources. The replacement initiative includes analyzing business processes to leverage the power of technology. Addressing this long-neglected but critical portion of city infrastructure will increase efficiency, reduce unnecessary manual functions and set a foundation for a City government that is more nimble, forward-thinking, and better able to serve each other and our community.
- **Neighborhood Services Division:** The Neighborhood Services Division brings together staff from different City departments and partners in the community to address citizen complaints and concerns that affect the quality of life for all who live or work in Berkeley. The Division consists of four units described on the next page.

- **Animal Care Services:** Animal Care Services provides field services for the cities of Berkeley and Albany, and shelters animals from Berkeley, Albany, Piedmont, and Emeryville. The services include the enforcement of city ordinances related to animals, removal of killed or injured wildlife, impoundment of stray pets, and investigation of animal-related neglect, cruelty, nuisance and bite cases. The City's animal shelter houses domestic animals from the cities of Berkeley, Albany, Emeryville, and Piedmont and provides not only a safe haven for these homeless pets, but also adoption services, advice on animal-related topics, lost and found pet reports, and free or low-cost spay/neuter vouchers for Berkeley residents' dogs and cats. The shelter houses a highly successful adoption program and consistently maintains a live release rate in excess of 90%. Animal Care Services also supports homeless and low-income pet owners by providing free pet food and other pet supplies daily on a walk-in basis. With field services available daily and the shelter open seven days a week, Animal Care Services is easily accessible and user friendly.
- **Code Enforcement Unit:** The Code Enforcement Unit is responsible for the enforcement of violations of the Berkeley Municipal Code including graffiti, blight, unauthorized signage, and illegal dumping. The Unit works in conjunction with a Planning Code Enforcement Officer to address land use and zoning complaints, such as illegal business, unpermitted living units, and accessory units.
- **Special Events:** The Special Events Unit coordinates staff from multiple departments to safely and efficiently support a variety of street and park events that make life in Berkeley vibrant and exciting, including the Berkeley Half Marathon, Solano Stroll, Telegraph Holiday Fair, and many more.
- **Homeless Response Team:** The Homeless Response Team is the inter-departmental team that responds to homeless encampments in Berkeley, performing sustained outreach to move people indoors, while simultaneously reducing the impact of encampments on the City through interventions that reduce health and safety threats while avoiding citation and arrest.
- **Appeals:** The Appeals Unit is responsible for administrative hearings. Administrative hearings are provided as a venue to appeal various violations or enforcement actions issued by the City before a hearing examiner. Although there are numerous types of appeals, the most common hearings are conducted for parking citation appeals, business license tax appeals, administrative citation appeals, and nuisance abatement appeals.

CITY MANAGER'S OFFICE FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	6,490,128	6,793,257	7,530,022	7,531,843	7,389,032	7,750,497
Services and Materials	993,353	974,685	619,645	1,510,563	794,037	764,037
Capital Outlay	14,196	30,737	-	41,610	-	-
Internal Services	606,623	633,892	620,887	649,285	620,887	620,887
Indirect Cost Transfer	683	-	-	-	-	-
Adopted Tier 1 Funding *	-	-	-	-	2,928,078	2,627,854
	8,104,983	8,432,572	8,770,554	9,733,300	11,732,034	11,763,274
By Division:						
Administration	3,517,716	3,416,609	3,345,960	4,018,719	3,170,897	3,356,924
Neighborhood Services	3,061,108	3,497,993	3,895,038	4,416,178	4,293,740	4,398,255
Budget & Fiscal Mgmt.	994,030	875,027	1,083,292	1,068,172	1,087,659	1,121,453
2020 Vision	532,130	642,829	446,264	230,232	251,660	258,788
Adopted Tier 1 Funding *	-	-	-	-	2,928,078	2,627,854
	8,104,985	8,432,459	8,770,554	9,733,300	11,732,034	11,763,275
By Fund:						
General Fund	7,573,988	7,872,856	8,377,168	9,045,847	11,320,277	11,347,845
Animal Shelter Fund	30,764	20,682	52,480	30,466	52,480	52,480
Zero Waste Fund	-	30,118	48,600	22,659	48,600	48,600
Permit Service Center	5,624	-	-	-	-	-
Other Funds	494,609	508,916	292,306	634,329	310,677	314,350
	8,104,984	8,432,572	8,770,554	9,733,300	11,732,034	11,763,275

* includes department requests and Council approved budget referrals
 Department budget revised to \$13,512,930 in FY 2022 amendments to the annual appropriations ordinance (AAO#1 and AAO#2)

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Champion and demonstrate social and racial equity	City Manager's Office, Information Technology (IT), Parks Recreation & Waterfront	African American Holistic Resource Center	In partnership with many in the community, plan for the development of a holistic African American Resource Center in South Berkeley, which will serve as a place of support and strength for the Berkeley community.	7/17-To be determined	Continuing	\$7,250,000+ (FY 22 funded)
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	All City Departments	Annual Survey	Implementing an Annual Survey to better understand the needs of the community.	7/20-To be determined	Continuing	\$25,000 (FY 22 funded)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected, and prepared city	All City Departments	COVID-19 Demobilization and Recovery	COVID vaccine is universally available. However, there are still public health areas to address related to City physical infrastructure and behavioral change in order to open up all of the City's public buildings and services. These changes have yet to be determined and they are not budgeted.	To be determined	Continuing	Unfunded; amount to be determined
Champion and demonstrate social and racial equity	All City Departments	Equity Toolkit	Operationalizing equity lens in service delivery and project planning (e.g., toolkit deliverable from Racial Equity Action Plan including things like adding an equity item to agenda reports, requiring an equity checklist as part of project work plans, etc.).	7/19-To be determined	Continuing	On hold

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide an efficient and financially-healthy City government	All City Departments	Performance Management	Implementing results-based accountability citywide and provide a dashboard to better communicate results.	1/20-To be determined	Continuing	Staff time (dashboard component unfunded/on hold)
Champion and demonstrate social and racial accountability	City Attorney, Fire, Health Housing & Community Services, Human Resources, Police, Public Works	Police Accountability Board Implementation	Establishing the Office of the Director of Police Accountability pursuant to Measure II.	12/20-6/22	Continuing	\$45,000 (director recruitment, FY 22 funded) + estimated \$1,100,000 (department budget, FY 22 funded)
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community		Public Communications Toolkit	Develop a suite of tools, templates, and short training videos to help organization-wide staff more effectively tell their story, inform community members about services and opportunities, and meet operational goals through high quality public communications.	3/21-To be determined	Continuing	Staff time; \$25,000 (requesting funding)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Champion and demonstrate social and racial equity	All City Departments	Racial Equity Action Plan	With assistance from the Government Alliance on Race and Equity and researchers from UC Berkeley, develop a Racial Equity Action Plan designed to integrate equity considerations throughout City operations and services and to influence change within the community.	8/18-To be determined	Continuing	On hold
Champion and demonstrate social and racial equity	City Attorney, Human Resources, Health Housing & Community Services, Police, Fire, Public Works	Reimagining Public Safety	Implementation of July 2020 Omnibus package to develop a new paradigm of public safety (i.e., BerkDOT, Specialized Care Unit, Priority Dispatching, analysis of claims and settlements, and community engagement).	8/20-6/25	Continuing	To be determined

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Champion and demonstrate social and racial equity	All City Departments	Accessibility Training	Monitor website, train staff and enforce guidelines.	3/22-To be determined	New	\$11,000 (FY 23 funded)
Foster a dynamic, sustainable, and locally-based economy	Planning, Finance, City Attorney, Health Housing & Community Services, Public Works	Update and Implementation of Street Vendor Ordinance	Update the City's street vendor ordinance to comply with changes in State law (SB 946).	10/23-7/24	New (to the Strategic Plan, but effort already underway)	\$156,110 (requesting funding)
Create affordable housing and housing support services for our most vulnerable community members	Health Housing & Community Services	Referral Responses: Managing Recreational Vehicle (RV) Parking	Transition RV parking program from Grayson Street.	7/22-10/22	New (to the Strategic Plan, but effort already underway)	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create affordable housing and housing support services for our most vulnerable community members	City Attorney, Health Housing & Community Services, Parks Recreation & Waterfront, Police, Public Works	Sidewalk Policy Amendments	Propose potential amendments/changes to City ordinances to more effectively and humanely manage encampments. This responds to two referrals: (1) City of Berkeley Neighborhood Services and Outreach Program (formerly "Amend April 26, 2018 Referral Regarding Sidewalks") and (2) Non-Criminal Options for Enforcement of Sidewalk Regulations	1/23-7/23	New	Staff time
Create affordable housing and housing support services for our most vulnerable community members	City Attorney, Health Housing & Community Services, Police, Parks Recreation & Waterfront, Public Works	Resolve Encampment at People's Park and operate Rodeway Inn as noncongregate shelter	Transition individuals currently living in People's Park into safe noncongregate shelter at the Rodeway Inn	6/23-6/23	New	\$4,708,015 (funded by State grant)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create affordable housing and housing support services for our most vulnerable community members	City Attorney, Planning	Group Living Accommodation Ordinance implementation	Update implementation to ensure better records-keeping and regulation of organizations with functionally equivalent exemptions	1/22-9/22	New	\$156,110 (requesting funding)
Attract and retain a talented and diverse City government workforce	All City Departments	Employee Retention & Morale Building/ Engagement & Talent Acquisition (recruitment)	Create programs to ensure City of Berkeley as an employer of choice to attract and retain a diverse valued workforce with onboarding and orientation, mentorship programs, alternative work schedules, wellness offerings, recognitions, and rewards.	9/22-6/24	New	\$350,000 (requesting funding)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community		Communications Request Form	Create a tool that allows departments to more effectively request and submit adequate information for Communications requests	7/22-6/24	New	\$25,000 (requesting funding)
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Information Technology	Photo Library	Create a searchable database of photos for staff to use in external communications	7/22-6/24	New	\$25,000 (requesting funding)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community		Develop Branding Standards	Create a branding document with tools so that staff can communicate at all levels using a consistent look and feel	7/22-6/24	New	\$100,000 (requesting funding)

PERFORMANCE MEASURES SUMMARY

The below table summarizes the City Manager’s Office performance measures. More detailed information is available in the Performance Measures appendix to this document.

Measure	Description	Target	Actual	Tracking
High live release/low euthanasia	Live release rate	Stay at or below 10%	• 6%	●
Length of stay in shelter	Average days per animal shelter stay	↓	• 8 days	n/a ⁶
Adoption rate	Percentage of animals adopted	↑	• 22%	n/a
Rescue rate	Percentage of animals going to nonprofit rescues	↑	• 35%	n/a
Return to owner rate	Percentage of animals returned to owners	↑	• 34%	n/a
Disease control for humans and animals	Count of vaccinations	↑	• 1,974 vaccinations	●
Number of spays/neuters provided	Count of spayed/neutered animals	↑	• 674 animals	●
Total volunteers	Count of volunteers	↑	• 229 volunteers	n/a
Number of volunteer hours	Count of volunteer hours	↑	• 9,780 hours	●
Foster rate	Percentage of volunteers who foster animals	↑	• 15%	●
Number of surgeries provided	Count of non-sterilization surgeries provided	↑	• 63 surgeries	●
Shelter uptake rate	Percentage of shelter offers that result in a move-in	↑	• 39%	n/a

⁶ First year tracking data for length of stay in shelter, adoption rate, rescue rate, return to owner rate, total volunteers, shelter uptake rate, tonnage/pounds of debris, closures.

Measure	Description	Target	Actual	Tracking
Tonnage/pounds of debris	Average pounds of debris removed from encampments/month	Maintain at 27,000 lbs./month	• 27,453 lbs./months	n/a
Storage provision	Average number of storage notices provided/month	n/a ⁷	• 6 storage notices	n/a
Noticing	Average number of violation notices provided/month	n/a	• 9 violation notices	n/a
Closures	Average number of encampment closures performed/month	Maintain at 3/month	• 3 closures	n/a
Case response time	Average days to resolve case	↓	• 53 days	n/a ⁸
Case completion rate	Percent closed/complete/resolved cases (excludes duplicate complaints and invalid complaints)	↑	• 71%	●
Case completion ratio	Ratio of closed/completed/resolved cases to total cases received	↑	• 303 cases, 235 closed ⁹	●
Balanced budget	Achieving a balanced budget	Balanced budget	• Balanced	●
Government Finance Officers Association (GFOA) Distinguished Budget Presentation	Receiving GFOA award each cycle	Received award	• Did not submit for award	●
Reporting on unfunded liabilities	Reporting on unfunded liabilities each cycle	Issued report	• Not applicable, report is only issued every 2 years.	n/a

⁷ Because conditions on the street and at each encampment are fluid, staff cannot provide a useful target for either the storage provision measure or the noticing measure.

⁸ Starting in 2021, the calculation includes the case queue numbers from all staff in the unit, including the supervisor.

Measure	Description	Target	Actual	Tracking
Achieve healthy reserves	Amounts contributed annually to reserves	Percentage targets per reserve policy	<ul style="list-style-type: none"> Ability to fund Workers Compensation 98% of target General Fund Reserves 90.9% of 2020 target and 50.6% of 2027 target 	●
Review Agenda Reports for fiscal impact and consistency	Number of agenda reports reviewed	n/a	<ul style="list-style-type: none"> 726 reports 	n/a
Review contracts	Number of contracts reviewed	n/a	<ul style="list-style-type: none"> 549 contracts 	n/a
Processing budget adjustments to ensure the City and Departments do not overspend appropriation authority	Number of budget adjustments updated, annually	n/a	<ul style="list-style-type: none"> 1,113 adjustments 	n/a

● Meeting/exceeding target

● Near target

● Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

CHALLENGES

The City Manager's Office challenges include:

- **Communications**

- *Staffing:* The Communications Unit increases efficiency throughout the organization by reducing direct costs and staff time while increasing the ability for community members to access resources and services by themselves. The Communications Unit currently has four people and is understaffed compared to other jurisdictions.
- *Digital Presence:* The Unit has led the effort to create a new digital presence for the City of Berkeley. The existing site had decades of underlying issues that needed to be addressed. This work lays a foundation for all City services. To complete this work, the Communications staff assumed over a dozen roles that were scattered throughout the organization or not done at all. The recent launch of berkeleyca.gov transformed virtually every aspect of the City's website operations and addressed a wide range of deficiencies dating back almost thirty years to the birth of the internet. Modernizing the City's digital communications doesn't end on with the launch-- helping guide staff toward consistent practices will require considerable work and collaboration citywide.
- *COVID Pandemic and Other Emergency Response:* The pandemic created unprecedented demand for information. The Unit developed a deep knowledge and expertise that helped shape COVID communications throughout the region through close partnerships with other public health agencies. The City currently does not have capacity for full communications emergency response, although there is still a constant churn of information as the virus mutates and the scientific understanding of the virus evolves.

- **Office of Budget and Fiscal Management:** As local revenues continue to rebound from the pandemic, it will be challenging to develop balanced budgets for FY 23 and FY 24 that address critical City needs, unfunded liabilities, and allocated resources to address priorities established by the City Council.

- **Neighborhood Services**

- **Animal Care Services:** The opening of businesses and the resumption of normal activities beginning summer 2021 had a major impact on the operations of Animal Services. The robust foster program that existed during 'shelter in place' very quickly diminished as fosters and potential fosters returned to work and school. With the opening of the animal shelter to the public during this same time period, the number of incoming animals began to increase and is now at pre-COVID numbers.

However, the number of volunteers has not returned to pre-COVID levels and a number of staff positions remain vacant, placing constraints on field response times.

- **Code Enforcement Unit:** At the pandemic's height, the Code Enforcement Supervisor coordinated closely with the Emergency Operations Center to enforce all non-food related COVID-19 Health Order Violations in the City of Berkeley. This resulted in an increase in COVID-19 related caseloads above and beyond the Unit's baseline work. Consequently, the Unit's response time has increased and the goal of addressing all complaints within 10 days of receipt has not been met. Although COVID workload has since decreased, the Unit is still addressing a backlog of complaints that are up to two months old. Additionally, the Unit assists and coordinates with the City's Building and Safety inspectors, Health, Housing and Community Services inspectors, and Public Works with investigation and enforcement of reported violations. The 2018 City Auditor's report on the Code Enforcement Unit identified staffing shortages as a constraint to performance, but the Unit's staffing has not grown despite these increased demands.
- **Special Events:** As vaccination rates in Berkeley rise and case rates fall, those who live in and love Berkeley are excited to experience all the City has to offer once again. As a result, requests for Special Events permits are at record highs. Moreover, events that had to be canceled or postponed during COVID surges in 2021 are now being rescheduled alongside 2022's slate of events. This has resulted in a long queue of events to plan, coordinate, and permit, despite staffing challenges. The special events team consists of one full-time FTE assigned from Neighborhood Services and 8-10 staff from other departments. Staffing has been challenging in some areas as some staff were reassigned to other duties. Also, there is limited infrastructural support, as some events previously held indoors now seek outdoor accommodations.
- **Homeless Response Team:** The Homeless Response Team (HRT) launched in September 2021 and faced a daunting challenge of resuming operations at encampments and recreational vehicle communities after a year and a half in which encampment enforcement, even for egregious health and safety violations, was paused due to the Centers for Disease Control and Prevention encampment guidance. During the first 6 months of operations, in order to mitigate health and safety concerns at encampments that had become deeply entrenched during the pandemic, the HRT had a large number of dangerous encampments to resolve, despite limited housing resources, a shelter system that is still operating at reduced capacity due to COVID, and a legal landscape that has limited the City's ability to intervene.

- **Appeals:** Many appeals are scheduled by departments outside of the City Manager’s Office. Because of this, any delays by these departments due to staff shortages or other reasons, can create a bottleneck effect with appeals.

ACCOMPLISHMENTS

The City Manager’s Office accomplishments include:

- **Communications**
 - **Pandemic Communications:** The City’s communications staff led the pandemic communications response through the EOC’s Joint Information Center (JIC): researching, drafting messages, coordinating internally and externally, and publishing a range of materials. In 2021, the primary focus of the EOC’s JIC was to get Berkeley vaccinated by creating clear, simple messaging and instructions that the public could use to find and sign up for first and second vaccine doses. These communications covered virtually every customer-facing aspect of vaccine delivery.
 - **Vaccine Messaging:** JIC staff worked with public health and other government agencies around the region to coordinate and focus regional messaging around vaccination.
 - **Vaccine Notification Strategy:** The JIC created and designed a sign-up form, vaccine notification emails and a messaging plan that emphasized transparency to build trust. The City widely promoted and used a single email notification list to alert people about available vaccine. The City used this list weeks, and sometimes months, before other jurisdictions were able to direct their communities to available vaccine. By June 2021, this vaccine communication strategy generated nearly 4 million points of contact with community members. The JIC repeatedly got emails from members of the public expressing confidence that they would be alerted to available vaccine when it was their turn.
 - **Vaccine Second-Dose Customer Support:** The five-person JIC team created an onsite and offsite workflow to address customer needs for every aspect of second dose delivery, including:
 - A dedicated second dose webpage with clear guidance that became one of the City’s most popular web pages of all time.

- Professional, HIPAA¹⁰-secure emails that were custom coded to individually reach thousands of people for second dose appointments.
 - Working with Curative, Inc., to create dedicated second dose website links (a first for the company) and onsite signup for second doses.
 - Onsite signage about how to get second doses and business cards that provided links and instructions for any who missed appointments.
- **New Website, BerkeleyCA.gov:** The recently launched website represents an overhaul of three broad issues: technology, design and content. The Communications Unit improved navigation, created a modern look, and designed every page to prioritize key information for any device. The Unit re-wrote every word for accuracy, clarity, and efficient web reading. To continue building trust, the Unit created a process for maintenance to ensure that this is a space where the relationship with the community continues to grow. This monumental effort addressed issues that stretch back nearly thirty years to the birth of the Internet. For the first time, the City will have a managed website showing its unique breadth of services, elevating the work of all City services, and increasing accessibility for each of those services.
- **Office of Budget and Fiscal Management**
 - **Budget Development:** In tandem with ERP, the Office developed the FY 23 and FY 24 Budget using the budget module of the new ERMA¹¹ system.
 - **Special Projects - Enterprise Resource Planning (ERP)**
 - **Ongoing Successful ERMA¹² Rollout:** The City Manager initiative to transform the City's quarter century old enterprise system (FUND\$¹³) into a more modern efficient one (ERMA) continues to move forward. To date, the ERP team has launched core financial, general ledger, accounts receivables, the budget module, human resources, and payroll modules. Implementing employee self-service and ExecuTime are the next steps for this effort.

¹⁰ Per the CDC, "The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is a federal law that required the creation of national standards to protect sensitive patient health information from being disclosed without the patient's consent or knowledge."
<https://www.cdc.gov/phlp/publications/topic/hipaa.html#:~:text=The%20Health%20Insurance%20Portabilit%20and,the%20patient's%20consent%20or%20knowledge>.

¹¹ The City's new ERP software, known as ERMA (Enterprise Resource Management Application).

¹³ The City's legacy ERP software, known as FUND\$ (Financial Utility Network Data \$ystem).

- **Neighborhood Services**

- **Animal Care Services:** In 2021, Animal Care Services maintained its status as a “no-kill” shelter, with a very high live release rate of 94% for all animals and a euthanasia rate of 6%, which primarily reflected animals that sustained life-threatening injuries or displayed insurmountable behavioral issues. Over 50% of cats and over 45% of dogs were adopted or rescued in 2021, despite receiving a larger number of very challenging animals. It was also able to increase vaccines and increase the number of sterilization procedures performed by nearly 70%. Animal Care Services increased overall foster rates over 2020, despite a decrease in volunteer hours by more than 50%.
- **Code Enforcement Unit:** The Code Enforcement Unit weathered the pandemic storm, coordinating closely with the EOC, the Health Officer, and other departments to respond to COVID enforcement issues. The Unit has identified key areas for performance improvement, including reducing response times to addressing cases and improving coordination with other departments. It has also undertaken a comprehensive effort to update and enhance enforcement of the City’s Group Living Accommodations ordinance, by revamping the online registry system and updating administrative records.
- **Special Events:** Despite pandemic restrictions, the Special Events Unit permitted 86 Special Events in 2021, and estimate 125-175 special events for calendar year 2022. Public safety has requested a comprehensive review of barricades used during street closures. Parks, Recreation, and Waterfront staff are reviewing improved signage at parks for special events, including approved events as well as those interested in applying for permits. Additionally, the new City website provides an enhanced and easier experience for members of the public who are seeking to permit events. Despite staffing challenges, this Unit worked tirelessly throughout the year to keep attendees safe and support event organizers with the components of event operations from planning through execution.
- **Homeless Response Team:** The Homeless Response Team (HRT) performed at least weekly garbage collection and debris removal from encampments across the City, removing over 151,000 pounds of trash between September 2021 and March 2022. During that time, HRT also performed 16 closures of large and dangerous encampments, resolving conditions that included raw sewage and human waste, loose and scattered syringes and drug paraphernalia, rodents and other vector hazards, rotting food, and obstruction of sidewalks and vehicular lanes of traffic—all while issuing zero criminal citations and only one arrest.

HRT reduced by roughly 50% the footprint of the vehicular encampment in the Gilman District, overall moving 38 vehicles into the City's safe RV parking program. HRT has made well over 200 shelter offers since November 2021 with an uptake rate of roughly 40%, and has managed to end the unsheltered status of a number of individuals with multiple and complex needs.

- **Appeals:** The Appeals Unit's made improvements to Parking Management Software by:
 - Coordinating with the City's contracted parking management vendor to add telephonic hearings as an option for Appellants to contest their citations.
 - Assessing appeal notice inconsistencies and working with the vendor to provide more information for appellants to be properly prepared for hearings.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 baseline budget increases by \$2,961,480, or 33.77% over the FY 22 Adopted Budget of \$8.8 million. This is primarily due to the addition of the Adopted Tier 1 Funding. The FY 23 and FY 24 Adopted Budget includes the following approved funding requests:

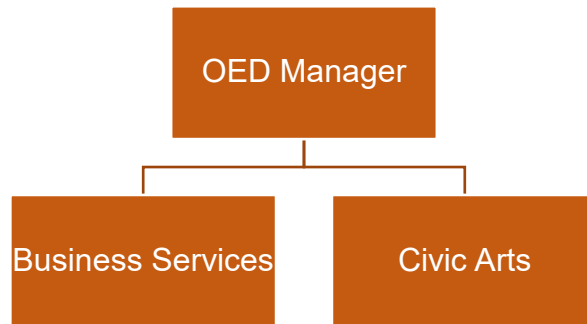
- **Reimagining Public Safety Initiative elements including:**
 - Assistant to the City Manager to oversee the Reimagining Public Safety initiative: \$314,465 in both FY 23 & FY 24
 - Diversity Equity and Inclusion (DEI) Officer: \$314,465 in both FY 23 & FY 24
 - Administrative Assistant (DEI Unit Support): \$165,074 in both FY 23 & FY 24
 - Grant Writer/ Grant Assistance: \$100,000 in both FY 23 & FY 24
 - Publish victim resource plan in multiple languages: \$15,000 (FY 23)
 - Transportation fines/ fees analysis: \$150,000 (FY 23)
 - Ceasefire Program: \$1,000,000 in both FY 23 & FY 24
 - Organization design process for possible creation of the Department of Community Safety: \$250,000 (FY 24)
- **Operations:**
 - Administrative Assistant (Communications): \$165,074 in both FY 23 & FY 24
 - Communications Specialist: \$208,776 (FY 24)
 - Training and professional development: \$80,000 in FY 23 & FY 24
 - Online dog licensing software: \$14,000 (FY 23)
 - Meeting Space Configuration project: \$180,000 (FY 23)
- **Council Budget Referrals:**
 - Local Reparations Plan: \$250,000 (FY 23)
 - Accessibility Renovations-Luna Dance Institute: \$150,000 (FY 23)

OFFICE OF ECONOMIC DEVELOPMENT

MISSION STATEMENT

The mission of the Office of Economic Development (OED) is to assist businesses, entrepreneurs, artists and community organizations to access resources, feel welcome in Berkeley, and thrive.

ORGANIZATIONAL CHART



OFFICE OF ECONOMIC DEVELOPMENT OVERVIEW

OED is a division of the City Manager's Office, comprising two work unites:

- **Business Services:** This Unit supports Berkeley's commercial sectors, expands economic opportunities, and helps maintain a healthy business climate by providing the following baseline services:
 - Direct Assistance to Businesses, Property Owners and Community Organizations,
 - Support for Berkeley's approximately 12 Commercial District and Business Associations,
 - Industry Cluster Programs,
 - Revolving Loan Program and Resiliency Loan Program,
 - Sustainable Business Practices,
 - Marketing,
 - Research and Data Analysis, and
 - 3 Commissions (Loan Administration Board, Elmwood Business Improvement District [BID] Advisory Board, Solano BID Advisory Board).

The Business Services team is at its base a customer service department, interacting with individuals, businesses, organizations, council and community members, and other city department departments. The team helps with individual technical assistance, offers resources, and provides economic data and analysis and support to Berkeley commercial sectors. Staff in this team serve as secretaries to three commissions, two Business Improvement Districts (BID) boards (Elmwood and Solano) and the Loan Administration Board, and hold board seats in three property-based BIDs (Telegraph, Downtown, and North Shattuck).

- **Civic Arts:** This Unit promotes and furthers arts and cultural activities in Berkeley by providing the following baseline services:
 - Direct Assistance to Artists and Community Organizations,
 - Civic Arts Grants,
 - Festival Grants Program,
 - Public Art Collection,
 - Public Art Programs,
 - City-Managed Galleries, and
 - Civic Arts Commission.

The Civic Arts Unit provides direct grants to Berkeley's art and cultural organizations, individual artists, and festivals, and manages the City's Public art collection which has over 80 works of art in its care. The Unit also manages the gallery spaces in the city buildings including the Cube Gallery in the Center St Garage. Staff in this Unit serve as secretaries to the Civic Arts Commission, which has four subcommittees (grants, policy, public art, civic center visioning) and a recently submitted work plan that contains 53 items.

The vast majority of OED services are provided directly by its staff, and the strategic use of professional and technical services is vitally important to the efficacy, efficiency, reach, and impact of staff and operations. OED's professional services allocation is its only resource for professional development opportunities that are specific to economic development and civic arts subject matter. OED also uses it to support commercial district association projects and capacity building; graphic design and other marketing and communications of services; fiscal impact and policy analysis; and data purchases.

As the costs of all of these services continue to rise with inflation, the allocations for a few strategic initiatives remain steady. However, with the restorations from the budget deferrals of FY 20-22, particularly with the ARPA funding programed in FY 22 to support small business, the Division will be well supported to implement strategic COVID recovery efforts. In many cases, the funds will leverage outside private investments by partners, community organizations, and other funders.

OFFICE OF ECONOMIC DEVELOPMENT FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	1,306,242	1,041,463	1,251,800	1,156,636	1,656,462	1,665,131
Services and Materials	7,559,194	3,866,180	3,756,900	7,436,812	4,532,513	4,565,845
Capital Outlay	9,373	-	-	-	-	-
Internal Services	74,786	73,306	72,081	72,581	72,081	72,081
Indirect Cost Transfer	1,557	1,576	1,382	1,411	1,812	1,838
Adopted Tier 1 Funding *	-	-	-	-	1,292,685	76,000
	8,951,152	4,982,525	5,082,163	8,668,166	7,555,553	6,380,895
By Division:						
Administration	125,088	48,970	97,817	110,308	125,644	131,703
Economic Development	5,606,761	3,155,258	3,330,914	4,277,388	4,180,542	4,219,818
Arts Coordination	2,787,152	1,491,146	1,194,152	3,421,106	1,475,885	1,463,031
South Berkeley Revitalization	212,852	58,427	221,669	610,344	219,728	222,037
Sustainable Development	219,299	228,723	237,611	249,020	261,069	268,306
Adopted Tier 1 Funding *	-	-	-	-	1,292,685	76,000
	8,951,152	4,982,525	5,082,163	8,668,166	7,555,553	6,380,895
By Fund:						
General Fund	5,855,850	2,488,081	2,535,186	3,004,242	3,528,952	3,343,968
Loan Funds	157,872	23,122	156,387	557,287	156,387	156,387
Business Improvement Districts	2,343,629	2,013,569	2,283,073	2,438,106	2,648,484	2,665,150
Public Art Fund	76,205	16,406	64,367	(200)	104,775	102,691
Zero Waste Fund	17,119	1,772	22,504	19,765	24,292	24,745
Measure T1	399,260	267,670	-	29,668	-	-
ARPA Fund**	-	-	-	2,364,846	1,000,000	-
Other Funds	101,216	155,905	20,646	254,452	92,663	87,954
	8,951,152	4,966,525	5,082,163	8,668,166	7,555,553	6,380,895

* includes department requests and Council approved budget referrals

Department budget revised to \$11,739,567 in FY 2022 amendments to the annual appropriations ordinance (AAO#1 and AAO#2)

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS






Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Foster a dynamic, sustainable, and locally-based economy	City Manager's Office	#Discovered in Berkeley – Berkeley Business Marketing & Communications Project: Continuation	Sustaining and expanding upon work from Berkeley - Business Marketing and Communications Project – (i.e., further development of the “Discovered in Berkeley” stories series highlighting Berkeley businesses based on feedback from businesses featured in earlier campaign phases).	7/22-6/23	New	\$50,000 (ARPA funded in FY 22, \$25,000 in FY 23)
Foster a dynamic, sustainable, and locally-based economy	Information Technology	Berkeley Ventures, Berkeley Values	Sustaining the "Berkeley Tech, Berkeley Values", program to leverage local tech sector skills, wealth, and other resources to support equitable and inclusive growth.	7/22-To be determined	New	\$20,000 (ARPA Funded in FY 22)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Foster a dynamic, sustainable, and locally- based economy	City Manager's Office, HHCS	COVID Economic Response and Recovery	Multifaceted program responding to COVID-19's impacts on Berkeley's business and arts community, and working towards local economic recovery.	3/20-To be determined	Continuing	Staff time
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	City Manager's Office, Parks Recreation & Waterfront, Planning, Public Works	Civic Center Phase II	Next phase of the Civic Center Vision Plan (Building Program and Design). NOTE: The scope portion of this work is being completed by Public Works.	9/21-To be determined	Continuing	Staff time
Foster a dynamic, sustainable, and locally-based economy	Planning	Expand and Modify the Downtown Arts District Overlay	Develop recommendations for expanding the boundaries of the current Downtown Arts District Overlay as well as the allowable active ground-floor uses.	9/19-12/22	Continuing	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Finance, Information Technology, Public Works	Interactive Digital Kiosks – Phase 2	Facilitate the second round of installation of interactive digital kiosks (IKE) to share information about civic resources; market local businesses, arts organizations, and commercial districts; and generate revenue for the City of Berkeley in new locations.	7/22-6/24	New	Staff time

PERFORMANCE MEASURES SUMMARY


The below table summarizes the Office of Economic Development’s performance measures. More detailed information is available in the Performance Measures appendix to this document.


Measure	Description	Target	Actual	Tracking
Arts and culture grants (Arts Organizations, Festivals and Individual Artists)	<ul style="list-style-type: none"> Number and total dollar amount of arts and culture grants awarded Number of grant applications 	↑	<ul style="list-style-type: none"> 94 grants awarded, totaling \$580,000 in FY 2021¹⁴ 	
Active Revolving Loan Fund (RLF)	<ul style="list-style-type: none"> Number of RLF loans executed in a given year 	↑	<ul style="list-style-type: none"> 8 loans, FY 2021 	
Private sector jobs saved	<ul style="list-style-type: none"> Number of jobs retained through RLF loans 	↑	<ul style="list-style-type: none"> 80 jobs, FY 2021 	
Jobs created	<ul style="list-style-type: none"> Number of new jobs created through RLF loans 	↑	<ul style="list-style-type: none"> 54 jobs, FY 2021 	
Total RLF dollars loaned	<ul style="list-style-type: none"> Amount of active RLF loans 	↑	<ul style="list-style-type: none"> \$795,000, FY 2021 	
American Rescue Plan Act funding for impacted sectors (<i>Continued on next page</i>)	<ul style="list-style-type: none"> Tourism Arts & Culture Relief Grants <ul style="list-style-type: none"> Number and total dollar amount of arts and culture grants¹⁵ 	n/a	<ul style="list-style-type: none"> \$500,000 disbursed to Visit Berkeley (Convention and Visitors Bureau) 70+ Berkeley Arts Relief Grants awarded, totaling ~\$2M 	n/a

¹⁴ This program for arts organizations, festivals, and individual artists is switching to a two-year grant cycle beginning in the fall of 2022.

¹⁵ Berkeley Arts Relief Grants for festivals and arts organizations were awarded with equity-centered criteria aligned with American Rescue Plan Act (ARPA) guidelines. 74 grant awards ranging from \$3,000 to \$33,000 (avg. grant size \$20,734) per organization were disbursed in February of 2022, individual artist grants will be disbursed in May 2022.

Measure	Description	Target	Actual	Tracking
	<ul style="list-style-type: none"> • Small Business <ul style="list-style-type: none"> ○ Resiliency Loan Program (RLP) funded by CARES Act (July 2020) ○ Provided program supports for ~\$800K loan fund for Berkeley businesses 		<ul style="list-style-type: none"> • \$520,000 in 11 RLP business loans executed • \$60,000 awarded to Working Solutions for technical assistance for RLP program participants. 	

 Meeting/exceeding target

 Near target

 Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

ACCOMPLISHMENTS

In FY 22 OED has numerous accomplishments including those identified in the Strategic Plan (SP):

- **COVID Recovery (SP):** As a relatively small Division (8 FTE), located within the City Manager's Office, OED has a unique role in directly assisting some of the most impacted sectors of Berkeley's business, artistic and cultural communities as the city recovers from the sprawling effects of the COVID-19 pandemic. During the past two years (from March 2020, to May 2022) this small Division worked tirelessly responding to the crisis:
 - Keeping businesses and arts organizations apprised of evolving health regulations,
 - Offering access to resources including testing and vaccination opportunities for Berkeley's employers,
 - Holding numerous roundtables and listening sessions, and
 - Developing a path to permanence for outdoor commerce operations.OED publishes two frequent resource-rich newsletters (Civic Arts and OED Updates), and is currently three quarters of the way through implementing a suite of recovery programs from a variety of funding sources including the American Rescue Plan Act (ARPA).
- **Berkeley Art Works Projects (SP):** Grants were provided to 32 artists, performers, and community members to create temporary public art projects throughout Berkeley that bolster collective resilience and recovery from the effects of COVID-19. Grants ranged from \$500 to \$10,000 for larger projects, these projects began to be installed throughout the city in 2021 and will continue through 2022.
- **IKE Kiosk Installations (SP):** The Interactive Kiosk Experience (IKE) information boards were successfully installed in December 2021.
- **Public Art Projects (SP):** The Measure T1 funded, North Berkeley Senior Center public art project "Song of Trees" was installed, along with "Community Wellness Is..." portrait series at the West Berkeley Service Center.
- **Bayer Health Care Development Agreement:** The City successfully executed a 30-year development agreement with Bayer Health Care in November 2021.
- **Outdoor Commerce Path to Permanence:** Technical assistance continues to applicants who wish to conduct business operations outdoors in the right of way.

CHALLENGES

OED has a number of priorities that require staffing.

- **Large Projects:**
 - West Berkeley Opportunity Sites (e.g. Pacific Steel)
 - Commercial District Revitalization Plan (Solano Ave)
 - Establishing Parking Benefit Districts (Gilman and Lorin)
 - Bayer Health Care Development Agreement Implementation
 - Developing a Capital funding program for Cultural Arts/Artist space
 - Civic Center Phase II
 - Diversity Equity and Inclusion – Berkeley Ventures Berkeley Values (a Strategic Plan project)
 - IKE Kiosk – location selection phase 2
 - Small Business Support Initiatives
 - Succession Planning – Worker Owned Cooperatives
 - Outdoor Commerce Support
 - Additional Zoning Ordinance Modifications to Support Small Business
- **Balancing New Initiatives & Baseline Services:** The challenge for OED will be to balance new initiatives and deliver excellent baseline services. In FY 22 OED was successful in leveraging special arts funds to get talented staff in place in the Civic Arts service line to deploy high quality program delivery; including centering equity in grant making activities and accelerating public art installation work.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 Adopted Budget increases by \$2,473,390, or 48.67% over the FY 22 Adopted Budget of \$5,082,163. This is primarily due to an increase of \$404,662 in salaries and benefit costs. The FY 23 and FY 24 Adopted Budget includes the following approved funding requests:

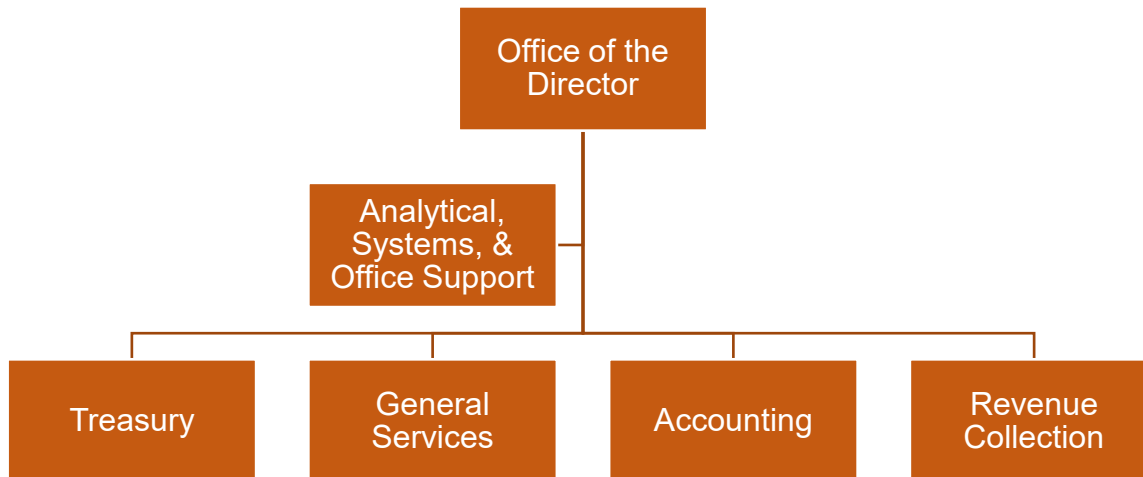
- **Operations:**
 - Pacific Steel Redevelopment Assistance: \$150,000 (FY 23)
 - #DiscoveredinBerkeley Campaign: \$25,000 (FY 23) (ARPA Funded)
- **Council Budget Referrals:**
 - Small Business Rental & Legal Support: \$1,000,000 (FY 23) (ARPA Funded)
 - Capacity Building for Merchant Associations in the Gilman & Lorin Districts: \$20,000 (FY 23)
 - Festival Grants Budget Increase (to \$200,000 total): \$41,865 (FY 23)
 - Solano Stroll: \$20,000 (FY 24); Annual Holocaust Remembrance Day: \$6,000 in both FY 23 & FY 24 and UC Theatre Concert and Career Pathways Program: \$50,000 in both FY 23 & FY 24

FINANCE

MISSION STATEMENT

To conduct all of our responsibilities with integrity, warrant and receive the trust of colleagues and constituents, and to positively support the delivery of quality services to fulfill the City’s mission and citywide priorities. Within the framework of full disclosure and quality customer service, our principal obligations are to safeguard City assets, maximize revenues, manage the business of City programs, and provide accurate, timely, and complete financial information.

ORGANIZATIONAL CHART



FINANCE OVERVIEW

The Finance Department supports all City departments and provides services for the entire Berkeley community. In addition to the Office of the Director and Finance Administration, the department is organized into four divisions: Treasury, General Services, Accounting, and Revenue Collection.

The Finance Department is organized into five divisions to deliver the following baseline services:

- **Office of the Direct and Finance Administration:** The Finance Director serves as the City's Chief Financial Officer, Investment Manager, and City Treasurer. The Director's Office provides expert, professional assistance to City management and City Departments on financial, accounting, and related matters; provides business administration and technical assistance to City departments; administers the annual budget and directs day-to-day financial operations; provides revenue and economic forecasting to City policymakers and stakeholders; manages the City and retiree medical plan investment portfolios; designs and implements an automated and integrated financial accounting system; makes presentations of the City's financial status and operations to the City Council and other regulatory agencies; monitors developments related to finance and accounting matters and evaluates their impact on City operations and financial programs; and serves as the lead for citywide Payment Card Industry (PCI) compliance.
- **Treasury:** The Treasury Division is responsible for receipt recordation, deposits, and investments of City monies. It also assists the Finance Director in investing short- and long-term investments of surplus City funds; maintains fiscal accountability for all City monies; manages the City's banking relationship; and coordinates implementation of the City's online payment programs. It acts as the City's centralized cashiering operation and accepts deposits from all City cash acceptance locations and departments. It also acts as the main payment processing center for mail-in payments for Citywide billing and other revenue sources. It is responsible for revenue development, audits, and collection on delinquent accounts.
- **General Services:** The General Services Division manages a centralized purchasing function. This division identifies equipment, goods, and services that will meet the City's needs; creates cost effective purchasing and maintenance agreements; issues and awards all non-construction bids and Requests for Proposal; and opens all construction bids to obtaining the best competitive pricing for purchases while adhering to the City's purchasing policies. It is responsible for mail services. The Division enforces compliance of City polices involving the following programs: Living Wage, Contract Compliance, and procurement restrictions. It maintains purchasing information on the City's website and assures that customers and vendors have online access to needed information and forms.
- **Accounting:** The Accounting Division serves as advisor, consultant, and an information source to other departments on financial management items and Finance Department policies and procedures. It directs the maintenance of the City's automated accounting system, including the general ledger and all required subsidiary ledgers.

The Accounting Division reviews and ensures adequate internal controls throughout the City, performs bank reconciliations, and assists in the development of the Finance Department work plan. It is responsible for the preparation of various financial and accounting reports, including the Annual Comprehensive Financial Report (ACFR), State Controller's reports, quarterly grants report, sales tax returns, payroll, and the City's indirect cost allocation plans.

Accounting has an Accounts Payable unit which controls disbursements made from City funds, excluding those for investments, payroll, payroll liability, and to the workers' compensation administrator. The Accounting Division ensures that all disbursements are timely, accurate, and are made in compliance with all internal controls and established City policies and procedures.

- **Revenue Collection:** The Revenue Collection Division provides billing services for refuse and most other City services; prepares the City's and Berkeley Unified School District's special property tax rolls for inclusion on the annual property tax bill; processes transfer tax, seismic retrofit, very low-income, and private sewer lateral refunds; prepares and processes annual business licenses and residential parking permits; schedules business license appeals; supports the Customer Service Counter with business license applications; administers and issues street vendor, massage, and food vendor permits; and maintains the City's land management database. It confers with City staff and management in analyzing proposed rate structures of various City revenues.

The Customer Service Counter is a unit within the Revenue Collection Division. It provides counter service to the Berkeley community and processes walk-in/drop-off payments for various Citywide billings, business licenses, residential parking permits, parking citations, copies of birth and death certificates and assists customers in the community service program for Project 22.¹⁶ This unit prepares and submits all payments received from customers to Treasury for posting in the City's financial system. The staff provides support for updating customers' records in the City's parking system, maintains records of community service agreements, and processes tow and boot releases and account maintenance for parking related payment inquiries.

¹⁶ Project 22 is a program for eligible customers to complete community service in exchange for their citation/ticket balance, if they are unable to pay. The program has been on hiatus during the pandemic.

FINANCE DEPARTMENT FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	6,347,845	6,492,503	7,444,363	6,771,580	8,421,395	8,693,864
Services and Materials	1,034,326	688,243	985,496	958,426	985,496	985,496
Capital Outlay	5,644	-	33	-	33	33
Internal Services	879,962	885,181	895,499	907,885	897,999	897,999
Indirect Cost Transfer	94,557	80,085	105,711	84,443	120,114	123,262
Adopted Tier 1 Funding *	-	-	-	-	1,019,120	969,120
	8,362,334	8,146,012	9,431,102	8,722,333	11,444,157	11,669,774
By Division:						
Office of the Director	1,859,528	1,984,585	1,264,387	2,202,429	2,180,276	2,194,753
Treasury	-	1,427,650	2,134,571	1,364,968	2,487,514	2,494,306
Accounting	1,539,643	1,652,157	1,733,392	1,679,819	1,917,649	1,972,784
General Services	1,204,365	987,569	1,422,323	1,246,705	1,515,992	1,550,288
Customer Service	1,368,055	722,233	997,126	-	888,651	903,114
Revenue Collection	2,390,743	1,371,818	1,879,303	2,228,412	1,844,320	1,890,762
Adopted Tier 1 Funding *	-	-	-	-	1,019,120	969,120
	8,362,334	8,146,012	9,431,102	8,722,333	11,444,157	11,669,774
By Fund:						
General Fund	6,596,629	6,682,935	7,041,962	6,811,180	9,041,238	9,213,830
U1 - Housing	-	83,327	385,442	277,789	403,212	415,512
Paramedic Assmt Dist.	18,977	19,503	19,842	20,240	20,824	21,490
Library	18,977	19,503	19,842	20,240	20,783	21,443
Parks Tax	18,977	19,503	19,842	20,240	20,824	21,490
Street Light Assmt.	21,181	21,712	21,749	22,214	23,326	24,017
Zero Waste Fund	975,253	831,212	1,247,727	984,111	1,219,795	1,247,768
Clean Storm Water	21,179	21,711	21,750	22,214	23,326	24,017
Parking Meter	52,635	-	40,000	-	40,000	40,000
Equipment Replacement	296,206	166,533	167,937	171,338	176,971	181,251
Central Services	285,149	221,410	385,483	311,849	391,386	394,486
Other Funds	57,171	58,666	59,526	60,920	62,472	64,470
	8,362,334	8,146,012	9,431,102	8,722,333	11,444,157	11,669,774

* includes department requests and Council approved budget referrals

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
DIVISION/ACTIVITY SUMMARY						
Office of the Director						
Administration	1,813,649	1,913,865	1,121,717	1,874,508	1,194,036	1,302,830
Systems Support	45,879	70,720	142,670	327,922	576,876	586,570
Division Total	1,859,528	1,984,585	1,264,387	2,202,429	1,770,912	1,889,400
Accounting						
Administration	1,257,384	-	-	-	221,988	214,422
General Accounting	-	1,391,012	1,329,889	1,309,613	1,262,259	1,312,816
Accounts Payable	282,259	261,144	403,503	370,206	433,401	445,545
Division Total	1,539,643	1,652,157	1,733,392	1,679,819	1,917,649	1,972,784
General Services						
Gen. Services - Admin	-	-	-	-	260,042	268,565
Procurement	919,216	766,160	1,036,840	934,856	864,564	887,237
Mail Services	285,149	221,410	385,483	311,849	391,386	394,486
Division Total	1,204,365	987,569	1,422,323	1,246,705	1,515,992	1,550,288
Treasury						
Collections	-	-	133,046	-	46,610	46,610
Administration	-	83,327	186,199	198,147	-	-
Treasury - Admin	748,643	652,989	388,583	435,978	563,891	584,474
Operations	375,693	391,817	655,449	434,351	601,725	612,911
Revenue Development	243,718	299,517	771,294	296,492	1,275,288	1,250,311
Division Total	1,368,055	1,427,650	2,134,571	1,364,968	2,487,514	2,494,306
Revenue Collection						
Rev Coll - Admin	-	-	-	-	270,677	279,592
Billing	1,505,707	1,299,047	1,869,418	1,484,634	1,563,702	1,601,220
Customer Service	713,897	722,233	997,126	730,526	888,651	903,114
Licensing/Permits	171,138	72,770	9,885	13,252	9,941	9,950
Division Total	2,390,743	2,094,051	2,876,429	2,228,412	2,732,971	2,793,876
Adopted Tier 1 Funding*						
	-	-	-	-	1,019,120	969,120
Division Total					1,019,120	969,120
Department Total	8,362,334	8,146,012	9,431,102	8,722,333	11,444,157	11,669,774



STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Foster a dynamic, sustainable, and locally-based economy	City Manager's Office	Local Vendor Preference Policy	Implement vendor scoring criteria to give preference to vendors located within Berkeley.	7/22-6/23	New	Staff time
Champion and demonstrate social and racial equity	Human Resources	Contracting Equity Study	Working as part of a City-wide team to address results of study.	12/21-6/23	New	Staff time
Champion and demonstrate social and racial equity	City Attorney, Health Housing & Community Services	Equal Pay Vendor Preference	Implement preferential vendor selection process in City contracting.	7/21-6/23	Continuing; Interrupted by Pandemic	Staff time


PERFORMANCE MEASURES SUMMARY

The below table summarizes the Finance Department’s performance measures. More detailed information is available in the Performance Measures appendix to this document.

Measure	Description	Target	Actual	Tracking
Citywide purchasing	<p>Review requisitions submitted and determine the percentage that are either:</p> <ul style="list-style-type: none"> not compliant with purchasing requirements and require returning to the department, or substantially compliant but require additional review. 	<p>10% or less noncompliant 0% partially compliant</p>	<p>4,129 purchase orders, totaling \$155,828,129</p> <ul style="list-style-type: none"> approximately 4% noncompliant approximately 0% partially compliant 	●
Citywide payment processing	<p>Review payment requests submitted and determine the percentage that are either:</p> <ul style="list-style-type: none"> not compliant with payment requirements and require returning to the department, or, substantially compliant but require additional review. 	<p>10% or less noncompliant</p>	<p>87,626 invoices totaling \$513,637,408</p> <ul style="list-style-type: none"> approximately 5% noncompliant/ requiring additional review 	●

Measure	Description	Target	Actual	Tracking
Citywide investments	Investments meet safety, liquidity, and reasonable return requirements	Meets requirements	\$660,517,110 total cash and investments, .97% pooled and 4.23% trust rate of return; <ul style="list-style-type: none"> successfully meeting safety, liquidity, and reasonable return requirements 	
City financial reporting	Meet statutory state submission deadline with no findings by external auditors	Meet deadline with no audit findings	<ul style="list-style-type: none"> Submitted on-time, received no audit findings 	

 Meeting/exceeding target

 Near target

 Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

CHALLENGES

Finance Department challenges include:

- **Recruitment and Retention of Qualified Staff:** The challenge in recruiting new personnel to replace retiring employees and filling long-vacant specialized positions has led to increased workload and decreased effectiveness.
- **Business License Processing:** License renewal processing, which brings in \$28 million per year, does not have sufficient core staff resources to manage this operation. Instead, it is carried out in a fragmented fashion, using overtime and outside temporary staffing, which leads to an inefficient process that is not cost-effective. The reliance on staff overtime causes delays in processing and longer wait-times for customers because individual applications and renewals must be processed by several separate functional teams that all have other tasks as their primary responsibility. Additional staffing would allow a team to focus exclusively on processing business license returns and payment, allowing a quicker turnaround and a unified customer support that could assist with all aspects of licensing and renewals.
- **Payment Acceptance Process Improvement:** Finance adapted to social distancing restrictions dictated by the response to the COVID-19 pandemic to provide the public with alternative options to pay taxes and fees rather than just in-person at City facilities. The Finance Department continues efforts to bring more online options for fee and tax payments, and to increase efficiency through automation of processes.
- **ERMA (enterprise resource management application):** Finance will work on implementing Phase 3 of the City's new financial system (i.e., Accounts Receivable/General Billing modules) in 23. The Department currently has limited staff capacity, and implementing a new revenue and cash receipting system requires near full-time commitment of subject matter experts that are already at capacity with current operations.
- **P-Card (Purchasing Card):** A Citywide Purchasing Card program will increase the variety of items the City can purchase using the convenience of credit cards, but requires setting up a purchase approval and expense classification system. New procedures for card use and reporting need to be established, staff and program administrators need to be trained, and the existing card program needs to be phased out without an interruption to City procurement.
- **Parking Management System:** The existing Passport System has limitations related to performing adequate cashiering reporting and reconciliations, causing an undue burden on staff who must do a great deal of additional research to make sure all payments are accurately recorded and that City resources are protected.

ACCOMPLISHMENTS

Highlights of recent Finance Department accomplishments include:

- **Business License Taxes:** In 2022, the Revenue Collection Division increased the efficiency of the business license program. With limited resources, the Finance Department was able collect over \$28,000,000 in Business License revenues by:
 - Expanding online renewals and payments,
 - Implementing a new audit program of non-compliant businesses, and
 - Improving system processes for increased effectiveness.
- **Miscellaneous Online Payment Portal:** The Treasury Division and Financial Systems Group implemented a new payment portal for customers wanting to make donations or other miscellaneous payments to the City. This increases convenience for City customers and helps protect the City's banking information.
- **Revenue Enhancement:** For 2022, the Finance Department implemented a new tax on Transportation Network Companies, enhanced collection efforts for delinquent Business License Taxes, and improved tracking and follow-up on returned checks and credit card chargebacks. These efforts combined to produce millions of dollars in additional revenue.
- **Implementation of Governmental Accounting Standards Board (GASB) Statements:** The Accounting Division implemented several interpretations of accounting principles issued by the GASB, including Statement No. 84 (identification of fiduciary activities); Statement No. 90 (reporting on majority equity interests in separate entities); and Statement No. 93 (replacement of London Interbank Offer Rate [LIBOR] interest rate benchmark).

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 Adopted Budget increases by \$2,013,055 or 21.34% over the FY 22 Adopted Budget of \$9,431,102. This is primarily due to an increase of \$1,446,152 in salaries and benefit costs. The FY 23 and FY 24 Adopted Budget includes the following approved funding requests:

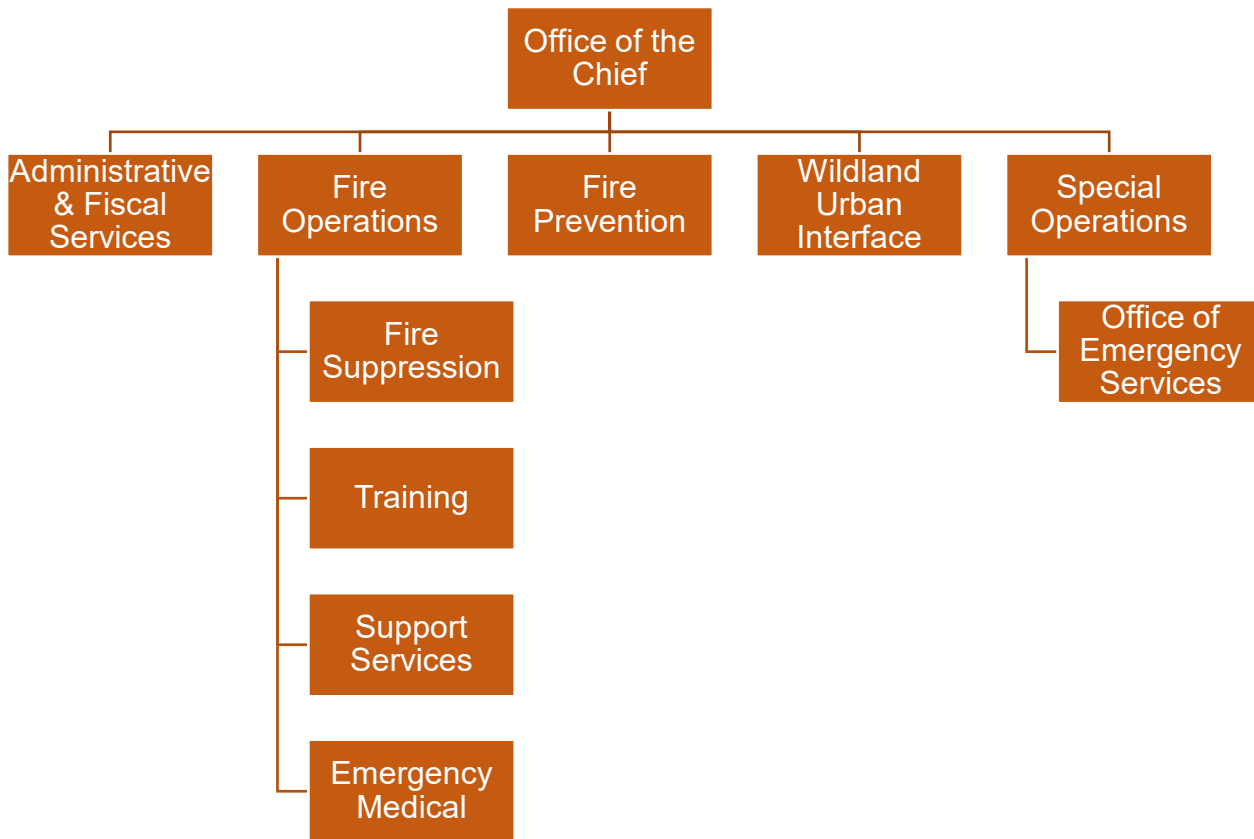
- **Operations/Capital Project:**
 - Revenue Development Specialist I (2 FTE) – reallocation of 2 FTE Field Representative positions: \$50,000 in both FY 23 & FY 24
 - Accounting Office Specialist Supervisor: \$172,170 in both FY 23 & FY 24
 - Training and professional development: \$50,000 in both FY 23 & FY 24
 - Business License Tax System Replacement: \$500,000 (FY 23)
 - Property Tax Assessment System Replacement: \$450,000 (FY 24)

FIRE DEPARTMENT

MISSION STATEMENT

The Berkeley Fire Department protects life, property, and the environment through emergency response, prevention, and community preparedness.

ORGANIZATIONAL CHART



FIRE DEPARTMENT OVERVIEW

The Berkeley Fire Department is committed to providing comprehensive fire protection, emergency medical, disaster preparedness, rescue, and other related services in an efficient, effective and caring manner to the diverse Berkeley community. The Fire Department is organized five divisions, which report to the Office of the Fire Chief and deliver the following services:

- **Office of the Fire Chief:** Organizes, coordinates, and directs the City's fire prevention, suppression, and emergency medical service programs. The Office also assists City management, fosters cooperative working relationships with community groups and other agencies on fire matters, and maintains the labor and management relationships.
- **Administrative and Fiscal Services Division:** Provides budget and fiscal policy, payroll, purchasing, administrative systems, record retention compliance, employee training and development, and the labor and management relationship. Oversees strategic planning, grant writing, public record act request responses, performance tracking, and reporting.
- **Operations Division:** Represents four distinct sub-divisions in the Fire Department and handles departmental logistics, radio systems, alerting systems, vehicle specifications, and maintenance.
 - **Fire Suppression** conducts all field operations including fire suppression, medical and rescue response, vehicle and pedestrian accident response, natural gas leaks, hazardous materials response, water rescue, fire alarm response, Bay Area Rapid Transit (BART) emergencies, UC Berkeley responses and all other emergency calls. Conducts annual fire prevention inspections, public education, and other community emergency training.
 - **Training and Safety** is focused on providing great training to the members of the Berkeley Fire Department. The subdivision is proud to run a California State Fire Training (SFT) Accredited Local Academy where new firefighters attain their SFT Firefighter I and II certifications. The subdivision also provides ongoing training and development to the entire Department. This is accomplished with an Assistant Fire Chief, three sworn members, and one non-sworn member who provides critical administrative support.
 - **Support Services** coordinates logistical support for emergency and non-emergency operations. This includes design and construction of apparatus; procurement and distribution of tools, equipment, and supplies; and providing subject matter expertise for information technology and radio communications programs.
 - **Emergency Medical Services (EMS)** oversees the Department's pre-hospital care and treatment program to the Berkeley community. All of Berkeley's seven fire engines, two trucks, and four ambulances are staffed with paramedics. The subdivision also oversees emergency medical services for large events, and may provide standby services or require an event to contract EMS services to minimize the event's impact on the 911 system.
- **Fire Prevention Division:** Plans, organizes, and implements prevention and inspection programs, fire and arson investigations, vegetation management, hazard abatement, code enforcement, public fire safety education, plan checks, and development of codes and ordinances.
- **Wildland Urban Interface (WUI) Division:** Addresses the wildland fire threat that faces the Berkeley community by performing vegetation management inspections, and delivering education to community groups.
- **Special Operations Division:** Manages the Office of Emergency Services and implements disaster preparedness and response programs, outreach and education, and regional collaboration planning. Manages the Department's information technology needs, emergency communications, mutual aid coordination with allied agencies and non-governmental organizations, and oversight of both hazardous material response and water rescue response.

FIRE DEPARTMENT FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Projected	FY 2024 Projected
EXPENDITURES						
By Type:						
Salaries and Benefits	40,694,615	41,987,522	43,808,664	47,866,653	47,948,376	48,521,341
Services and Materials	3,628,064	3,988,425	11,720,242	5,975,045	9,752,684	10,370,268
Capital Outlay	270,458	323,404	1,499,500	359,352	2,209,343	1,092,403
Internal Services	3,611,629	3,584,021	3,313,632	3,803,723	3,313,632	3,313,632
Indirect Cost Transfer	9,182	8,329	9,392	9,420	9,190	9,190
Adopted Tier 1 Funding *	-	-	-	-	144,034	144,034
	48,213,947	49,891,701	60,351,430	58,014,192	63,377,259	63,450,868
By Division:						
Office of the Fire Chief	2,494,458	2,450,217	2,687,804	2,848,348	3,085,483	3,110,061
Fire Operations	43,298,209	45,431,197	55,145,843	51,192,328	54,542,977	54,558,410
Fire Prevention	1,227,376	814,281	1,343,794	1,294,387	2,264,791	2,281,640
Special Operations/OES	1,193,905	1,196,006	1,173,989	1,149,115	1,217,259	1,250,920
Wildfire Urban Interface	-	-	-	1,530,015	2,122,714	2,105,802
Adopted Tier 1 Funding *	-	-	-	-	144,034	144,034
	48,213,948	49,891,701	60,351,430	58,014,192	63,377,259	63,450,868
By Fund:						
General Fund	38,848,003	38,988,843	37,021,939	43,574,467	41,770,979	42,304,032
Paramedic Tax Fund	4,057,997	5,018,644	4,896,823	5,391,028	5,197,371	5,246,532
CFD #1 Dis Fire Protect Bond	474,085	699,654	2,048,940	407,368	1,362,705	573,904
Measure GG	4,691,411	4,949,073	4,304,901	4,508,315	4,669,122	4,698,827
UC Settlement	-	-	-	819,048	2,883,664	2,969,558
Measure FF	-	-	11,992,075	3,118,951	7,402,075	7,565,075
Other Funds	142,451	235,488	86,752	195,016	91,342	92,939
	48,213,947	49,891,701	60,351,430	58,014,192	63,377,259	63,450,868

* includes department requests and Council approved budget referrals

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
DIVISION/ACTIVITY SUMMARY						
Office of the Fire Chief						
Administration	1,938,552	1,901,182	2,087,550	2,271,693	2,282,759	2,296,195
Fiscal Services	516,472	549,675	600,254	576,655	802,724	813,866
Professional Standards	39,433	(640)	-	-	-	-
Division Total	2,494,458	2,450,217	2,687,804	2,848,348	3,085,483	3,110,061
Fire Operations						
Administration	918,628	807,227	854,019	1,416,069	3,704,981	4,464,104
Suppression/Rescue/Hazard	26,387,947	28,794,155	39,992,896	31,865,370	30,503,396	29,629,495
Fire Training	729,352	743,792	766,059	986,125	1,581,094	1,610,887
Emergency Medical Service	15,262,281	15,086,023	13,532,869	16,924,764	18,564,969	18,674,229
Division Total	43,298,209	45,431,197	55,145,843	51,192,328	54,542,977	54,558,410
Fire Prevention						
	1,227,376	814,280.90	1,343,794	1,294,387	2,264,791	2,281,640
Division Total	1,227,376	814,280.90	1,343,794	1,294,387	2,264,791	2,281,640
Special Operations/OES						
	1,193,905	1,196,006	1,173,989	1,149,115	1,217,259	1,250,920
Division Total	1,193,905	1,196,006	1,173,989	1,149,115	1,217,259	1,250,920
Wildfire Urban Interface						
	-	-	-	1,530,015	2,122,714	2,105,802
Division Total				1,530,015	2,122,714	2,105,802
Adopted Tier 1 Funding *						
	-	-	-	-	144,034	144,034
Division Total					144,034	144,034
Department Total	48,213,948	49,891,701	60,351,430	58,014,192	63,377,259	63,450,868

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected and prepared City	Human Resources, Information Technology, Public Works, Finance	Fire Department Reorganization	In FY 23-24 the Department will begin a significant re-organization that will result in more services to the community and a workforce that is better prepared and resilient to respond to the challenges the City will face in the coming decades.	7/22-6/25	New	(funded, General Fund, Measures GG & FF, Paramedic Tax)
Create a resilient, safe, connected and prepared City <i>(Continued on next page)</i>	Human Resources, Finance	Dispatch Capacity Building	Berkeley Emergency Communications Center needs analysis of existing dispatch capabilities/gap analysis of operations to better align with evolving emergency medical response. Goal: Enhance dispatch center capacity to triage calls, diverting non-emergency calls (including mental health calls) to appropriate resources like the SCU and provide emergency medical instructions to callers.	6/22-6/25	New	\$300,000 (partially funded, Measure FF)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
			This will require an adjustment to the staffing model, additional hardware, software and improved training for dispatchers.			
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Public Works, Finance	Fire Facilities Master Plan (FMP)	Berkeley Fire Department stations are undersized, in poor condition or require remodel or replacement. The Department initiated a long-term replacement planning process to better understand infrastructure needs. To feed this plan, Public Works has already conducted an evaluation of fire facilities immediate repair/maintenance needs that will be incorporated in to the FMP. This process will provide City leaders with actionable information ahead of future infrastructure bond measures.	2/22-9/22	New	\$300,000 (funded, Measure FF)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Office of Energy and Sustainable Development	Fire Station Solar and Lighting Transition	The Department is transitioning the stations to use renewable energy sources, have the capacity to function off the grid and begin installation of infrastructure to support the electrification of the fire department's fleet. Goal is to install solar and battery storage onto three fire stations and the fire warehouse. In addition, staff is working to install LED lighting in all facilities.	1/22-12/25	New	No cost-offset by existing utility bill (\$100,000 funded in FY 23 for Fire Station #3 and Live Oak pilot)
Attract and retain a talented and diverse City government workforce	Human Resources	Administration & Fiscal Services Division	Increase Staffing: The Department has an urgent business need to increase staffing within this Division. There is currently no redundancy in knowledge and skill, especially pertaining to payroll processing.	4/22-12/22	New	\$382,003 (funded, Measure FF)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Attract and retain a talented and diverse City government workforce	Finance, Human Resources	Employee Physicals & Human Performance	After a multi-year solicitation process, two Contractors have been selected that will provide services that include, but are not limited to, annual physical examinations, screening for cancer and other chronic diseases associated with the work, one-on-one consultations, managing wellness/fitness initiatives, coordinating awareness and motivational campaigns, mental and health related training, long-term data collection and analysis, and educational seminars.	1/22-12/22	New	\$652,354 (funded, UC Settlement)
Attract and retain a talented and diverse City government workforce <i>(Continued on next page)</i>	Human Resources	Single Function Recruitment Process	The Department is working to create a modern recruitment campaign that will attract qualified employees to fill these new and exciting roles within the City.	2/22-6/25	New	\$50,000 (funded, Measure FF)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
			The Department is also working to create an entry level academy curriculum for these new employees that is based on best practices in adult education and equity.			
Create a resilient, safe, connected and prepared City	Finance	Regional Leadership Academy	The Department was awarded a FEMA Assistance to Firefighters Grant to design and facilitate a class series for current and prospective leaders. Chief Officers, Captains, and Paramedic Supervisors are eligible to attend. These classes are running monthly through August of 23 except for the peak wildland fire season.	1/22-8/23	New	\$168,272.73 (funded, FEMA/AFG Grant)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected and prepared City	Human Resources	Wildfire Safety and Public Education Program	Permanently staff the Wildland Urban Interface Division with 1 Assistant Fire Chief, 1 Office Specialist III and 3 Sworn Fire Inspectors to provide wildfire safety planning, fuel mitigation, inspection programs and public education. Budgeted code 3 response vehicles and overhead costs.	7/21-9/22	Continuing	\$3,000,000 (funded, Measure FF)
Create a resilient, safe, connected and prepared City	Health, Housing and Community Services (YouthWorks), Parks, Recreation, Waterfront (PRW) Recreation, Public Works (PW)	Wildfire Vegetation Management/ Seasonal Fire Crew	Creation of a seasonal wildfire hand crew. Under the direction of the new Fire Captain, this crew would work with PRW and PW to identify excess fuel mitigation needs and handle them on public property. Initially a YouthWorks program with possible expansion. Budget includes a vehicle and all overhead costs.	7/21-6/22	Continuing	\$1,000,000 (funded, Measure FF)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected and prepared City	Human Resources	Evacuation Zone Outreach	Develop curriculum and hire interns or part-time/temporary personnel for community outreach and education on evacuation plans and routes.	7/21-6/22	New	\$25,000 (funded, Measure FF)
Provide an efficient and financially-healthy City government	Human Resources	EMS Redesign	Over the next two fiscal years, meet and confer, develop the job classifications, funding sources, and program design to allow for the expansion of EMS operations in a more efficient cost and response model, including Basic Life Support ambulances, Advanced Life Support ambulances, code 3 equipped vehicles, equipment for operations in austere environments and prioritized dispatching.	7/21-6/23	Continuing	\$6,727,077 (funded, Measure FF)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected and prepared City	Finance, Human Resources	Wildfire Fuel Mitigation Plan	Hire a consultant to assess and write a fuel management plan for the City of Berkeley. This will include the City and the three remote camps operated by the City. California Environment Quality Act (CEQA) requirements will need to be addressed and the process will be a collaborative science-based approach with community, industry experts, and environmentalists.	7/21-10/22	Continuing	\$200,000 (funded, Measure FF)
Create a resilient, safe, connected and prepared City	Finance	Water Tenders	These vehicles will allow for an instant water supply during a major disaster and will supplement the Above Ground Water Delivery System funded by Measure Q.	7/21-7/22	Continuing	\$950,000 (funded, Measure Q)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected and prepared City		Technical Rescue Team	Build a technical rescue response team capable of responding and mitigating emergencies involving height, confined space, hazardous atmosphere, and extrication from generally unstable platforms and to a degree the department is not currently capable of addressing at industry standards. Funds recruitment and training, purchasing equipment and on-going costs.	7/21-7/22	Continuing	\$150,000 (funded, Measure GG)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities <i>(Continued on next page)</i>	Finance, Public Works, Information Technology	Property Acquisition	Research, locate, lease or purchase and minimally develop a property to provide adequate space for hands-on & classroom training of public safety personnel and Community Emergency Response Team groups, space for EMS deployment, offices, warehouse/storage, and a secondary (backup) dispatch center.	7/21-6/22	Continuing	\$4,875,000 (funded, Measure FF & UC Settlement)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected and prepared City	Finance	Hazardous Materials Response Team Type Rating	Update and expand HazMat equipment and training levels to align with Cal OES Type 2 qualifications and capabilities; better suited for hazards within the City of Berkeley and better able to respond as a regional resource.	7/21-7/22	Continuing	\$150,000 (funded, Measure FF and UC Settlement)
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Finance, IT	Fire Department Communications	Increase and improve communication to the community by updating the Fire Department web page and creating social media policy and procedures	1/22-12/22	Continuing	\$25,000 (funded, Measure FF)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected and prepared City		Training and Equipment to Emergency Responders for Medical Care in Austere Conditions	Develop and implement a program that provides policy, procedures, equipment and training at national standards to Berkeley Firefighters so they can safely and effectively provide life-saving care during mass casualty events; not limited to but to specifically include active shooter incidents.	7/19-6/22	Continuing	\$30,000 (funded, Measure FF)
Create a resilient, safe, connected, and prepared city	City Manager's Office, Finance, Human Resources, Information Technology, Public Works	Fire Prevention	Increase staffing in the Fire Prevention Division to meet the demand for service.	7/19-6/22	Continuing	\$1,500,000 (funded, UC Settlement)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected and prepared City	Police Department, Public Works	Outdoor Emergency Public Alerting Systems	(Part of Rescue and Disaster Response Capabilities Program) Explore and provide options for a system to provide the City instant mass notification of an emergency. This could include sirens, weather ban radios, or other technology.	12/19-6/22	Continuing	\$2,000,000 (funded, Measure FF)
Create a resilient, safe, connected and prepared City	Planning, Police Department, Public Works	Safe Passages	Develop standards, code updates, and enforcement mechanisms to identify narrow streets that need to have parking restrictions and keep clear areas identified and marked.	7/20-6/22	Continuing	\$700,000 (funded, Measure FF)

PERFORMANCE MEASURES SUMMARY

The below table summarizes the Fire Department's performance measures. More detailed information is available in the Performance Measures appendix to this document.

Measure	Description	Target	Actual	Tracking
Call response time	Time from when station receives call to first arriving on scene	↓	<ul style="list-style-type: none"> • 5:07 average response time¹⁷ • 4:43 median response time 	●
Fire prevention inspections	Percentage of scheduled inspections completed	↑	<ul style="list-style-type: none"> • 95% completed 	●

● Meeting/exceeding target

● Near target

● Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

¹⁷ This reflects a possible underreported response time. The Department is currently undergoing an in-depth Standard of Coverage analysis and reassessing criteria for response time.

CHALLENGES

The Fire Department's challenges include:

- **Increased Demands:** The Department's basic structure has stayed the same since the 1980s, but the demand and need for services has greatly increased. It has grown from two services (structure fires and fire prevention) to sixteen:
 1. Structure Fire
 2. Fire Prevention
 3. Emergency Medical
 4. Disaster Preparedness
 5. Hazardous Materials
 6. Wildland Fires
 7. Weapons of Mass Destruction
 8. Vehicle Extrication
 9. Technical Rescue
 10. Active Shooter
 11. Water Rescue Swimmer
 12. Routine Wildland Urban Interface Fires
 13. Vocational Education
 14. Boat Operations
 15. Pandemic Response
 16. Community Medicine

There is a further expected increase in relation to expected expansion of services at Berkeley Marina. Also, the impending closure of some of Berkeley's Alta Bates Summit Medical Center services, coupled with the aging of Berkeley's population, will likely translate to the need for an expansion of ambulance transport services. Besides expanded ambulance transport services, the Department also working in partnership with other departments and the community to plan for the future model of care and transport of mental health patients. Another source of increased demand is related to increases in population and density. Taller buildings and added density increase the complexity of the department's emergency response. Increased population, including increased UC Berkeley student population, translates into increased calls for service. Additionally, increased demands translate to a need for additional facilities.

- **Ongoing Infrastructure and Equipment Needs:** Capital infrastructure, including fire stations, office space, and training grounds are too often in poor condition, undersized, and in need of significant maintenance or replacement. The Department has partnered with Public Works to begin work on a landmark Fire Facilities Master Plan that will provide the leaders of today and tomorrow with a clear needs assessment and plan for the next 20 years.

- **Staffing and Recruitment:** The Department is experiencing unprecedented challenges recruiting and retaining qualified firefighter/paramedics. While some of this is related to the pandemic, the Department is re-designing itself to be a more appealing workplace with more opportunities for career advancement and more employee training and education.
- **Administrative and Fiscal Staffing:** The Administrative and Fiscal Services Division is requesting an additional position to help assist with payroll processing.

ACCOMPLISHMENTS

The Fire Department's accomplishments include:

- **Maintaining Minimum Staffing:** The Department expedited two firefighter/paramedics recruitments in FY 22. These recruitments were critical to getting back to minimum staffing, which bolsters morale, and curbs employee fatigue and burnout associated with the excessive amount of overtime due to the pandemic.
- **Implementation of New Programs & Projects:** With the passing of Measure FF in November 2020, the Department has worked to begin implementation of the programs and projects outlined to the City Council. This has been a significant challenge as the Department remains critically understaffed due to the lingering impacts of the pandemic and the difficulty in recruiting adequate numbers of entry level employees. Work that has occurred so far includes:
 - **Contracts:** Staff negotiated contracts for the Community Wildland Protection Plan, Dispatch Analysis, Motorola Radio Lease, Wellness/Human Performance, Annual Physicals and Cancer Detection, and the Fire Facilities Master Plan.
 - **EMS Re-Design:** Staff worked with the Human Resources Department and labor to create two new classifications, Emergency Medical Technician and Paramedic. These positions will create a more efficient and cost-effective EMS system and will allow the Department to recruit a more diverse pool of applicants.
 - **Wildland Urban Interface (WUI) Division:** The Department has focused on addressing the wildland fire threat that faces the community and in support of those efforts hired Retired Annuitants temporarily to begin the work that will eventually be transitioned to full time staff. This allowed the Department to build the structure of the Division, perform vegetation management inspections, and deliver education to community groups.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 Adopted Budget increases by \$3,025,829 or 5% over the FY 22 Adopted Budget of \$60,351,430. This is primarily due to an increase of \$4,132,712 in salaries and benefit costs, a decrease in service and materials of \$1,967,558, and an increase in capital outlay expenditures of \$709,443.

The Department budget increased due to the passing of Measure FF and the UC Settlement funds that will be appropriated in the FY 23-24 budget cycle.

- **Measure FF:** With the passing of this measure, the Department budget will increase to \$7.4 million in FY 23 and to \$7.6 million in FY 24. These funds will support the Department's proposed reorganization as well as support the following mandated programs, projects, and services that have begun:
 - Creating a WUI Division, including developing a Community Wildfire Protection Plan (CWPP), expanding vegetation inspections to all of Zone 2, expanding Firewise programs, re-starting the Safe Passages Program, and re-building the vegetation inspection and citation programs;
 - Completing an analysis of Fire/EMS dispatching;
 - Creating a single function division to more efficiently run emergency medical calls for service;
 - Creating a Training Division, including developing a sufficient sized and adequately equipped training grounds and re-designing our EMS transport system;
 - Completing a Standards of Coverage Analysis; and
 - Initiating a Fire Facilities Master Plan (FMP).

The total Measure FF Budget for FY 23 is \$8.1 million in FY 23 and \$8.3 million in FY 24. The remainder of the funds are \$757,925 in each fiscal year and are budgeted in Non-Departmental as a transfer to the Paramedic Tax Fund to help balance the fund in FY 23 & FY 24.

- **UC Settlement:** The Department's budget will increase to \$2.9 million in FY 23 and \$3.0 million in FY 24. These funds will support the Department's proposed reorganization and the following projects/programs:
 - Employee Physicals and Cancer Prevention/Detection,
 - Employee Wellness/Human Performance Program,
 - Additional Fire Prevention Inspectors,
 - Ongoing funding for employee training, equipment, and training facilities, and
 - Miscellaneous apparatus and equipment.

HEALTH, HOUSING AND COMMUNITY SERVICES

MISSION STATEMENT

The Mission of the Health, Housing, and Community Services Department is to enhance community life and support housing, health, and wellness for all.

ORGANIZATIONAL CHART



HEALTH, HOUSING & COMMUNITY SERVICES OVERVIEW

The Department of Health, Housing and Community Services (HHCS) is organized in an Office of the Director and five divisions which support the Department’s mission: Aging Services, Housing and Community Services, Environmental Health, Mental Health, and Public Health. Together these divisions provide a wide array of services to the community, including Meals on Wheels for seniors, affordable housing development loans for nonprofit organizations, restaurant health inspections, mental health services for people with high level needs, health services at Berkeley High School, and much more. In addition, the Department currently staffs seven commissions, and also works closely with the Homeless Services Panel of Experts, now staffed in the City Manager’s Office. Baseline activities of each division are described in more detail below.

The Health, Housing, and Community Services Department is organized into five divisions and the Office of the Director to deliver the following baseline services:

- **Office of the Director:** The Office of the Director provides overall leadership, strategic direction, policy development, management, and fiscal oversight that includes budgeting, accounting, payroll, purchasing, and billing external funding agencies.

As part of their leadership role, Office of the Director staff work closely with HHCS divisions, community stakeholders, the seven commissions staffed by HHCS as well as the other commissions to prioritize projects that most directly impact the health and well-being of the Berkeley community. The Office of the Director also encompasses the Public Health Officer's Unit, which identifies and responds to community health threats through communicable disease prevention and control, epidemiology, and vital statistics.

- **Aging Services:** The Aging Services Division enhances the well-being and independence of older adults by offering social connections, activities, and lifelong learning. The Division operates two vibrant senior centers that offer thousands of classes, events, workshops and day trips as well as a nutritious weekday lunch for older community members. The Meals on Wheels program provides nutritious meals to home-bound seniors. Case managers provide consultation, referral, and linkage to community resources. Additionally, Aging Services provides taxi and van trips for older adults and disabled Berkeley residents to improve quality of life and access to community resources.
- **Environmental Health:** Environmental Health Division (EH) protects public health and prevents disease by providing education and enforcing state and local health laws at more than 1,200 businesses and facilities citywide. Regulated and permitted programs include all retail food businesses, food service operations at public and private schools, public swimming pools and spas, body art facilities, tobacco retailers, and cannabis dispensaries. EH investigates complaints of unhealthy conditions in buildings and neighborhood environments and eliminates nuisance conditions to prevent the spread of disease in the community. Examples include investigation of foodborne illness, responding to and resolving noise complaints, addressing abandoned automobiles, and providing vector control services.
- **Housing and Community Services:** The Housing and Community Services Division (HCS) produces, preserves, and supports affordable housing by working with community partners to help meet the housing needs of Berkeley residents who are low-income, homeless, seniors, disabled, or have special needs. HCS also provides funding and collaborates with community-based organizations to serve chronically unhoused people by providing shelter, coordinated entry to permanent housing, food, hygiene services, and other basic needs supports. HCS coordinates the City's community agency funding process and administers Berkeley's Shelter + Care program.
- **Mental Health:** The Mental Health Division (MH) provides intensive services to adults, youth, and children who have high level mental health needs and are eligible for Medi-Cal. It is also the "Front Door" to the public mental health system; providing on-demand assessment and linkage to care and comprehensive treatment for low-income adults, children, and families with major mental health concerns.

The Division's Mobile Crisis Team and Crisis Phone Lines respond to mental health emergencies and crisis situations. MH also funds and supports a variety of community service providers and projects that result in culturally responsive services that reach a wide range of City residents, such as school age children, seniors, LGBTQI¹⁸ individuals, transition age youth, and underserved ethnic groups.

- **Public Health:** The Public Health Division (PH) strives to achieve health equity in Berkeley by creating environments that optimize health and well-being for all, and through community-based partnerships. PH provides health education and promotion for tobacco cessation, cardiovascular/heart health, childhood health and nutrition, oral health, and adolescent health. The Division oversees and provides adolescent health services at the Berkeley High School and Berkeley Technology Academy Health Centers, and also provides maternal and child health services including prevention programs and targeted case management. The Division also addresses health policy work through the Healthy Berkeley Program and State Tobacco programs to enhance policy, systems, and environment changes to support healthy practices in the community. The Division now operates YouthWorks, a year-round employment and training program for residents aged 14 to 25, and incorporates job training activities with other youth resources in the community.

¹⁸ Lesbian, gay, bisexual, transgender, queer/questioning, and intersex.

DEPARTMENT OF HEALTH, HOUSING AND COMMUNITY
SERVICES FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	29,297,601	29,612,569	38,009,426	31,488,654	43,694,077	44,664,508
Services and Materials	27,154,559	48,761,541	42,113,206	56,211,016	44,814,001	42,713,357
Capital Outlay	665,935	20,652	247,062	63,054	137,062	247,062
Internal Services	3,471,744	3,380,540	3,956,417	3,917,790	3,851,576	4,001,576
Indirect Cost Transfer	18,221	36,028	188,815	53,571	51,882	52,648
Adopted Tier 1 Funding *	-	-	-	-	2,634,376	2,234,376
	60,608,059	81,811,330	84,514,926	91,734,085	95,182,974	93,913,527
By Division:						
Office of the Director	4,785,842	7,149,835	8,386,513	10,242,281	10,224,323	10,716,725
Aging Services	4,019,360	3,935,411	5,246,576	4,121,581	5,708,535	5,768,626
Environmental Health	1,804,421	1,845,027	2,423,328	1,980,543	2,634,129	2,659,881
Housing & Community Services	19,528,452	39,861,365	38,447,750	46,486,427	39,149,783	39,356,464
Mental Health	14,579,581	15,441,645	19,746,135	14,949,664	23,438,326	22,821,837
Public Health	7,859,736	6,550,238	10,264,624	7,603,083	11,393,502	10,355,619
Community Funding	8,030,668	7,027,809	-	6,350,507	-	-
Adopted Tier 1 Funding *	-	-	-	-	2,634,376	2,234,376
	60,608,060	81,811,330	84,514,926	91,734,085	95,182,974	93,913,527
By Fund:						
General Fund	27,809,295	25,566,360	23,455,690	32,520,546	27,130,179	27,412,701
U1 - Housing	1,071	1,181,981	5,510,572	3,860,232	5,781,330	5,501,451
Capital Improv. Fund	74,145	80,887	74,170	80,769	75,424	76,240
Federal Funds	7,877,758	14,062,593	12,422,667	14,741,039	12,553,811	12,388,043
State Funds	14,793,788	17,935,905	23,002,415	19,116,703	27,963,550	26,817,359
County Grants	1,845,459	1,975,663	2,587,122	2,406,856	2,910,438	2,959,842
Local and Foundation Grants	4,148,734	3,104,535	3,275,813	3,178,294	3,797,526	4,138,539
Rental Housing Safety	-	-	-	57	-	-
Measure E Disabled Tax	1,297,768	1,341,961	1,432,011	1,482,011	1,569,911	1,601,060
Measure B Paratransit	455,244	527,845	525,433	370,307	36,797	36,797
Measure BB Paratransit	142,168	49,074	447,741	296,138	934,031	940,629
Measure GG Fire Prep	137,856	204,136	242,527	78,912	256,28	260,632
Measure O	0	14,923,810	6,445,567	9,683,661	6,445,567	6,445,567
Sewer Fund	184,481	343,797	437,189	235,598	503,102	509,045
Other Funds	1,840,293	512,783	4,656,009	3,682,963	5,225,020	4,825,622
	60,608,060	81,811,330	84,514,926	91,734,085	95,182,974	93,913,527

* includes department requests and Council approved budget referrals.

Department budget revised to \$157,035,414 in FY 2022 amendments to the annual appropriations ordinance (AAO #1 and AAO #2)

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est Actual	FY 2023 Adopted	FY 2024 Adopted
DIVISION/ACTIVITY SUMMARY						
Office of the Director						
Administration	3,690,597	3,792,938	3,421,380	4,603,860	4,054,641	3,462,354
Fiscal & Administration	1,083,552	1,163,556	1,483,505	1,412,982	1,787,464	1,822,239
Health Officer Unit	11,694	2,193,340	3,481,628	4,225,439	4,382,218	5,432,132
Division Total	4,785,842	7,149,835	8,386,513	10,242,281	10,224,323	10,716,725
Environmental Health						
Admin	1,607,288	956,478	2,099,820	417,107	887,854	944,893
Health Protection	196,001	858,707	323,508	1,545,322	1,746,274	1,714,987
Policy Development	1,132	29,843	-	18,114	-	-
Division Total	1,804,421	1,845,027	2,423,328	1,980,543	2,634,129	2,659,881
Mental Health						
Administration	2,590,957	2,175,382	2,680,054	2,254,541	2,717,965	2,751,871
Adult Services	4,833,608	4,820,148	7,343,041	2,848,316	7,017,024	7,137,623
Medical	1,113,480	721,094	2,036,694	423,638	923,427	934,216
Family & Youth Services	207,236	783,936	97,787	1,173,048	1,067,770	1,098,405
Access	1,370,356	1,131,770	1,583,108	903,406	1,451,534	1,625,284
Crisis Services	2,396,419	926,332	4,769,438	102,077	2,610,183	2,611,707
MHSA	2,067,525	4,577,114	-	6,241,976	6,173,375	5,480,862
Homeless Services	-	305,868	1,236,013	1,002,661	1,477,048	1,181,868
Division Total	14,579,581	15,441,645	19,746,135	14,949,664	23,438,326	22,821,837
Housing & Community Services						
Administration	4,786,372	8,522,191	6,227,155	11,125,863	6,084,232	6,159,656
Community Services	112,146	1,306,734	1,245,846	386,157	1,280,903	1,286,011
Employment Services	1,130,033	421,451	63,734	61,502	123,727	129,955
Housing Development & Rehabilitation	4,248,745	19,855,131	18,016,647	22,839,516	18,786,949	18,849,692
Homeless Services	9,251,157	9,755,858	12,894,368	12,073,389	12,873,972	12,931,150
Division Total	19,528,452	39,861,365	38,447,750	46,486,427	39,149,783	39,356,464
Aging Services						
Administration	555,462	456,293	450,368	463,354	455,029	453,220
North BSC**	740,300	682,381	990,399	647,703	913,211	919,455
North BSC – Transportation**	685,594	698,955	1,129,864	751,677	1,125,731	1,129,609
South BSC**	411,481	396,519	471,750	399,782	534,844	547,747
West BS - Case Management**	1,005,102	1,024,535	1,220,913	1,143,840	1,690,341	1,734,436
West BSC – Nutrition**	577,080	638,383	805,613	649,233	809,216	802,551
Division Total	4,019,360	3,935,411	5,246,576	4,121,581	5,708,535	5,768,626

**Berkeley Senior
Center (BSC)

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est Actual	FY 2023 Adopted	FY 2024 Adopted
DIVISION/ACTIVITY SUMMARY CONT.						
Public Health						
Sugar Sweetened Beverage	-	-	-	11,684	-	-
MH- Access	-	-	-	1,047	-	-
Employment Services	-	-	1,061,171	-	767,722	773,165
Administration	2,267,878	1,423,784	3,100,062	1,703,131	3,009,996	3,036,719
Case Management	571,611	317,847	709,806	394,333	545,220	539,308
Preparedness	275,721	773,837	463,942	415,988	575,721	537,144
Vital Statistics	362,492	2,190	-	2,798	-	-
Health Promotion	1,067,092	1,211,915	1,246,016	1,100,604	1,360,161	1,385,080
Clinical Services - BHS	535,471	859,288	884,414	1,132,842	1,030,957	1,057,726
Clinical Services - ACPHC	977,135	502,513	1,110,449	548,973	1,141,586	1,152,082
Maternal And Child Health	1,061,223	1,229,166	1,471,408	2,077,278	2,766,744	1,669,207
Communicable Disease	586,865	15,105	-	-	-	-
Oral Health	154,248	214,594	217,356	214,406	195,396	205,187
Division Total	7,859,736	6,550,238	10,264,624	7,603,083	11,393,502	10,355,619
Community Agency Funding***						
Community Agencies	4,433,876	3,463,367	-	3,679,637	-	-
Sugar Sweetened Beverage	1,900,000	1,887,584	-	1,103,922	-	-
Affordable Child Care	1,696,792	1,676,858	-	1,566,948	-	-
Division Total	8,030,668	7,027,809		6,350,507		
***Community Agency Funding transferred to HHCS from Non-Departmental at the start of each fiscal year						
Adopted Tier 1 Funding *	-	-	-	-	2,634,376	2,234,376
Division Total	-	-	-	-	2,634,376	2,234,376
Department Total	60,608,060	81,811,330	84,514,926	91,734,085	95,182,974	93,913,527

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Champion and demonstrate social and racial equity	Planning & Development, Office of Economic Development	Health Equity & Innovation District	Referral to the Planning Commission, the Community Health Commission, the Commission on Aging, and the City Manager to establish a Health Equity & Innovation District (HID). The goal of the HID is to reduce chronic racial health disparities and improve the overall public health strategy of Berkeley by fostering innovations in healthcare delivery, improving resiliency, and strengthening the integration of health services and systems. The HID is intended to draw investment and grant opportunities, as well as to explore the expansion of scope of practice for medical providers.	2/22-6/24	New (referral already in progress, adding into Strategic Plan)	\$250,000 (Funded in FY 22)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Champion and demonstrate social and racial equity		Healthy Checkout Ordinance	Refer to the Sugar Sweetened Beverage Product Panel of Experts to consider recommending funding allocations, and to work with City staff to develop protocols for, implementation, education, and enforcement.	9/20-6/24	New (referral already in progress, adding into Strategic Plan)	Staff time
Create affordable housing and housing and housing support services for our most vulnerable community members	City Manager's Office	First They Came for the Homeless Encampment	To refer Item back to the Homeless Commission with the chart of questions provided by Council and request that the commission develop a more specific policy that is broadly applicable.	6/18-6/24	New (referral, adding into Strategic Plan)	Staff time
Champion and demonstrate social and racial equity	Human Resources; City Attorney	Paid Family Leave Ordinance	Explore an ordinance that guarantees paid leave for new parents.	1/20-6/24	Continuing	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Champion and demonstrate social and racial equity	City Attorney	Decriminalizing Entheogenic Plants	Refer to the Community Health Commission to consider the possibility of de-prioritizing enforcement of laws relating to entheogenic plants and fungi by persons over 21 years of age. Consider potential health and community benefits and concerns, as well as possible policy variations with regard to possession, use, growing/production, and sales; quantities involved; use while driving; use during pregnancy and other possible "special circumstances considerations.	7/21-6/24	New (referral, adding into Strategic Plan)	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Planning; City Attorney	Cannabis Ordinance Revisions; Amending Berkeley Municipal Code Chapters 12.21 12.22, 20.40, 23C.25, and Sub-Titles 23E and 23F	Direct Berkeley Public Health Department to review the issue of flavored cannabis products for combustion or inhalation, and cannabis products whose names imply that they are flavored, and review any additional ingredients that may be hazardous, whether natural or artificial, including vitamin E acetate in inhalation products, and make recommendations.	6/21-6/24	New (referral already in progress, adding into Strategic Plan)	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community <i>(Continued to the next page)</i>	City Manager's Office – Code Enforcement Unit	Companion Report: Smoke-Free Multi-Unit Housing Ordinance Policy and Enforcement Modifications	1. Refer to staff to explore expanding the Ordinance to buildings with one unit; 2. Refer to staff to explore and consider improvements in the interface between the residential and commercial non-smoking Ordinances in mixed-use buildings; 3. Refer to staff to create a web-based complaint filing mechanism/service; 4. Refer to staff to create special protocols for chronic situations and to consider including requirements for better air filtration and purification as well as other measures to effectively manage chronic cases; 5. Refer to staff to study the infraction and enforcement mechanisms and determine if they have any benefits and to consider other potential enforcement end points;	6/22-6/24	New (referral already in progress, adding into Strategic Plan)	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
			<p>6. Refer to staff to look for opportunities for bias in enforcement and mechanisms to better guard against bias while still allowing for maximum action to resolve legitimate complaints; 7. Refer to staff to propose funding sources for enforcement; 8. Refer to staff to collect demographic data around complaints and targets of complaints (as much as possible); and 9. To return to Council with Ordinance amendments to accomplish the following:</p> <ul style="list-style-type: none"> (a) amend or remove the 10-day language element (b) modify or remove the 2-complainant rule if warranted (c) adjust for the medical cannabis state law changes, (d) propose any and all other improvements beneficial to the Ordinance. 			

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Champion and demonstrate social and racial equity	Finance; City Manager's Office	Companion Report: The SSBPPE Commission's Proposed Policy to Refrain from Procuring, Selling, and Serving Sugar-Sweetened Beverages	Request that the City Manager draft an ordinance for consideration by the City Council. Original Commission Recommendation: "...adopt an Ordinance amending the Administrative Code to direct the City of Berkeley departments and City food services contractors to refrain from: 1. Procuring sugar-sweetened beverages with City funds; 2. Selling sugar-sweetened beverages on City property, including in vending machines; and 3. Serving sugar-sweetened beverages at City meetings and events on City property."	7/21-12/22	New (referral already in progress, adding to Strategic Plan)	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create affordable housing and housing and housing support services for our most vulnerable community members	Planning	Workforce Housing Affordability Plan [Housing Action Plan]	Refer to the City Manager the addition of a new workforce housing option to the inclusionary housing law that raises the percentage of inclusionary units by allowing the production of more subsidized units at a reduced subsidy per unit. Additionally, request that the City Manager return with “affordable by design” suggestions to help address the underproduction of middle-income units in Berkeley.	7/20-7/23	New (referral already in progress, adding to Strategic Plan)	Staff time
Create affordable housing and housing and housing support services for our most vulnerable community members	Finance	Community Agency Funding Information	Develop and publish comprehensive report on outcomes of community agencies funded by City of Berkeley.	9/22-6/24	Continuing	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Champion and demonstrate social and racial equity	Information Technology	Results-Based Accountability Framework for Health, Housing & Community Services Programs	Implement a results-based accountability performance management framework to better account for and improve the work that the Department of Health, Housing & Community Services undertakes, and to maximize impact. Develop and publish outcomes data on selected programs.	7/18-6/24	Continuing	Staff time
Create affordable housing and housing and housing support services for our most vulnerable community members	City Manager's Office	Open Doors Initiative: City Worker and First Time Affordable Homebuyer Program	City Council refer the City Manager and Housing Advisory Committee to explore mechanisms to support homeownership by City employees and refer to City Manager to prepare a report detailing available first-time homeownership and low-income homeowner programs that might be available to implement in the City. Analysis to include the new Self-Help Housing Program and the provisions of AB 101.	7/20-6/24	New (referral already in progress, adding into Strategic Plan)	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Champion and demonstrate social and racial equity	Information Technology	Public Health Strategic Plan Implementation	Implement a tracking and reporting system for Division program performance measures.	7/19-6/24	Continuing	Staff time
Champion and demonstrate social and racial equity <i>(Continued on the next page)</i>	Planning; City Attorney	Refer to the Planning Commission and Housing Advisory Commission to Research and Recommend Policies to Prevent Displacement and Gentrification of Berkeley Residents of Color and African Americans	Refer to the Planning Commission and Housing Advisory Commission to research and recommend policies to prevent displacement and gentrification of Berkeley residents of color. Recommended policies should include real solutions. The Commission should do the following: Develop a policy to address the erosion of People of Color (POC), including the African American sector of our Berkeley society; Develop rules and regulations to halt the loss of People of Color including the African American communities.	2/20-6/23	New (referral already in progress, adding into Strategic Plan)	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
			<p>Develop a "right to return" for Berkeleyans, including the African American communities who have been displaced by these economic and social developments, and those who continue to be employed in our City, even after having to relocate beyond our boundaries; Solicit expert and lived experience testimonies regarding displacement and gentrification; Recommend alternatives to prevent displacement and gentrification of our valued Berkeley residents of color and African Americans. Recommendation includes a request for public workshops.</p>			

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide an efficient and financially-healthy City government	Planning	Local Construction Workforce Development Policy	<p>Policy Recommendation: That the City Council refer to the Commission on Labor to address the shortage of qualified local construction workers; worker retention, and elevated labor costs through the creation of a construction workforce development policy. This policy will encourage housing and nonresidential development applicants to require contractors to utilize apprentices from state-approved, joint labor-management training programs, and to offer employees employer-paid health insurance plans. The policy will help stabilize regional construction markets; and enhance productivity of the construction workforce Berkeley needs to meet its General Plan's build-out goals.</p>	7/23-6/24	New (referral, adding to Strategic Plan)	Staff time


Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Champion and demonstrate social and racial equity	Planning	Adding Threat of Displacement of a Berkeley Resident to the Current Income Qualification Guidelines Which Would Place an Applicant in Priority Status for BMR Units [Housing Action Plan]	Refer to the City Manager adding to income qualification the status of pending displacement of a Berkeley resident or family, for priority eligibility for BMR (Below Market Rate) units.	2/20-6/23	New (referral already in progress, adding into Strategic Plan)	Staff time
Create affordable housing and housing and housing support services for our most vulnerable community members <i>(Continued on next page)</i>	Planning	Companion Report: Support for Oregon Park Senior Apartments - [Housing Action Plan]	Refer the Housing Advisory Commission's recommendation that staff work with Oregon Park Senior Apartments (OPSA) to the Council prioritization process so that the Council can evaluate this recommendation in the context of other recommendations for the use of HHC staffing resources.	6/18-6/24	New (referral already in progress, adding into Strategic Plan)	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
			Adopted with the following conditions: 1. Oregon Street Park Apartments will conduct a financial audit. 2. Oregon Street Park Apartments will conduct a full assessment of the structure of the building and the facility needs. 3. Oregon Street Park Apartments will hire a property manager to oversee the financials and the property. 4. The City will commit to holding the fines in abeyance until such time that conditions 1-3 are completed.			
Champion and demonstrate social and racial equity <i>(Continued on next page)</i>	Planning; City Attorney	Neighborhood Preference in Affordable Housing to Reduce the Impact of Displacement and Ellis Act Evictions [Housing Action Plan]	Refer to the City Manager and Planning Commission an ordinance to clarify existing preferences in allocating City affordable housing units to Berkeley residents living within ½ mile of any new development and tenants evicted under the Ellis Act,	2/20-6/23	New (referral already in progress, adding into Strategic Plan)	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
			expand the second category of preference for eligible tenants displaced under the Ellis Act to include certain tenants displaced through an Owner Move-In or (Measure Y) eviction.			

PERFORMANCE MEASURES SUMMARY

The below table summarizes the Health, Housing and Community Service Department's performance measures. More detailed information is available in the Performance Measures appendix to this document.

Measure	Description	Target	Actual	Tracking
Meals provided by Aging Services	Count of meals, combining congregate and Meals on Wheels	n/a ¹⁹	<ul style="list-style-type: none"> 134,491 meals: <ul style="list-style-type: none"> 47,720 congregate meals 86,771 Meals on Wheels 	n/a
Information and assistance sessions provided by Aging Services Division	Count of sessions	n/a	<ul style="list-style-type: none"> 5,345 sessions 	n/a
Reduction in days in psychiatric hospital among clients in our Full Service Partnership program over the age of 18	1 st year in Full Service Partnership program versus prior year	75% or greater ²⁰	<ul style="list-style-type: none"> 78% reduction 	

¹⁹ All performance measures in this table capture the level of activity and effort in their respective areas. For a few, the direction of a trend (e.g., upward or downward) can be in response to both positive and negative influences, making it difficult to establish a desired target.

²⁰ Initially, staff identified increasing the percentage year over year as a fitting target, similar to targets explored by colleagues in other divisions. After more consideration, staff identified meeting a floor of 75 percent.

Measure	Description	Target	Actual	Tracking
Number of vector service requests received by Environmental Health Division	Total calls received	n/a	• 366 calls	n/a
Percentage of COVID-19 cases with outreach initiated	Number of cases with outreach initiated/all eligible cases	↑	• 100% (December 2021)	●
Percentage of COVID-19 contacts with outreach initiated	Number of contacts with outreach initiated/all eligible contacts	90%	• 99% (December 2021)	●
Percentage of STAIR ²¹ clients that exit to permanent housing	Number that exit to permanent housing	↑	• 64%	●

● Meeting/exceeding target

● Near target

● Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

²¹ STAIR (stability, navigation, and respite) is Berkeley's housing navigation center.

CHALLENGES

The Health, Housing and Community Services (HHCS) Department's challenges include:

- **Responding to the COVID-19 Pandemic:** The pandemic is entering its third year and continues to create unprecedented challenges through HHCS and the community. With responsibilities for public health safety, HHCS faced unique challenges. The Public Health Officer's Unit had a key role in the City's response. Many HHCS staff members from throughout the Department were assigned to the Emergency Operations Center (EOC) for most of the year; in many cases with expanded scopes of work as they maintained many baseline services. Multiple HHCS programs, such as those in Mental Health, Public Health, and Aging Services, continued to face practical challenges in their efforts to reach and serve the community; which necessitated major shifts in service delivery such as the change to telehealth. The City is fortunate to have received more than \$20 million in COVID-19 relief funds through HHCS, primarily for health and homeless activities, which while beneficial to our community, added additional administrative and fiscal responsibilities to HHCS's already full grants management workload.
- **Staffing Vacancies:** HHCS had many vacant staff positions (about 25%) going into the pandemic. City departments and HHCS have not been immune to the "great resignation" seen throughout the labor market nationally, and positions have continued to turn over. In addition, it is very difficult to attract qualified applicants, particularly in some health and mental health related classifications. Since many of HHCS's program and projects are of high priority to the Council and community, and the departmental budget has increased by about a third during the pandemic, it is difficult to impossible to scale back workload expectations regardless of staffing levels. This has led to the department exploring options to enhance recruitment and retention, which is needed to prevent staff overwork, low morale, and increased risk for errors.
- **Implementation of California Advancing and Innovating Medi-Cal (CalAIM):** CalAIM is a multi-year initiative led by the California Department of Health Care Services (DHCS) to improve the quality of life and health outcomes of individuals by instituting systemic changes to Medi-Cal. The goals of CalAIM are to (1) Identify and manage comprehensive needs through whole person care approaches and social drivers of health; (2) Improve quality outcomes, reduce health disparities, and transform the delivery system through value-based initiatives, modernization, and payment reform; and (3) Make Medi-Cal a more consistent and seamless system for enrollees to navigate by reducing complexity and increasing flexibility. CalAIM will require changes to the City's relationships with the County and other healthcare providers, to the services provided, and to the way services are funded.

- **Configuring Staffing in the Housing and Community Services (HCS) Division to Support City Housing and Homeless Priorities:** The number and variety of housing and homeless activities staffed in HCS have expanded significantly in recent years due to Council’s commitment to addressing these issues. In the Housing Services unit, for example, staff are now working on 17 development projects, the largest number the City has ever funded at one time, among many other responsibilities. Recruiting staff with the relatively high level of related experience and technical skills needed for these programs is difficult due to competition with many other housing organizations. In FY 23 HHCS will work with a consultant to review the current staffing structure and make recommendations to align with the workload.

ACCOMPLISHMENTS

Highlights of recent HHCS accomplishments include:

- **COVID-19 Pandemic Response and Related Service Changes:** The COVID-19 pandemic response and related service changes have been a major focus of work in HHCS over the past two years. HHCS staff efforts in the Emergency Operations Center have helped support testing and immunization efforts, contact tracing and investigation, community outreach and education and more. HHCS efforts have prioritized services for the most vulnerable, including within the Mental Health Division and the Aging Services Division that have continuously adapted their service delivery models throughout the pandemic to ensure continuity of services for vulnerable residents.
- **Affordable Housing Development Financing:** Affordable Housing Development financing, supported by sources including Measures U1, O and P, has reached an all-time high for the City, as has the diversity and complexity of projects being supported. Financing affordable housing requires years of work on each development. Staff involvement starts with predevelopment funding and evaluation of proposals and leads to complicated contracts and monitoring during construction and for decades into operation. HHCS is currently working with 17 developments in the predevelopment and construction phases, which include 915 affordable units and \$119 million in City fund reservations and commitments. This includes 308 units in construction now, with the Berkeley Way and Jordan Court developments nearing occupancy.

- **New Service Implementation to Address Inequitable Outcomes:** Implementation of new services to address inequitable outcomes that are an indirect impact of the COVID-19 pandemic, including shifting from congregate meals to a meal delivery service and increasing Meals on Wheels capacity 1 ½ times by the Aging Services Division, implementing a Homeless Full Services Partnership that provides intensive case management services to mentally ill and unhoused community members by the Mental Health Division, implementing community crisis response services to expand community outreach services for individuals experiencing or on the verge of crisis, and implementing COVID-19 and flu vaccinations, as well as referrals to other core services, for community members who are homebound due to a disability (and their attendants) by the Public Health Division.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 Adopted Budget increases by \$10,668,048 or 12.62% over the FY 22 Adopted Budget of \$84,514,926. This is primarily due to an increase of \$5,684,651 in salaries and benefit costs, \$2,700,795 in service and materials, and Adopted Tier 1 Funding of \$2,634,376. Other changes include:

- \$300,000 from the California Department of Public Health California Equitable Recovery Initiative awarded in FY 22. These CERI funds will be implemented to enhance the structures and systems of HHCS to bridge the gap of health inequities in the City of Berkeley. Funding will be used primarily for personnel costs who will support this department-wide initiative by supporting community engagement, data gathering, and collaboration across HHCS to support the creation of an HHCS Strategic Plan for Health Equity. The application of the CERI funds will coincide with the 2018 Council Referral to fund \$250,000 to establish a Health Equity Innovation District through community engagement work.
- \$1,000,000 from the state Department of Health Care Services (DHCS) Crisis Care Mobile Units (CCMU) program awarded in FY 22. Funds will support the implementation of the Specialized Care Unit.
- \$2,500,000 from the Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act (MHSSA) program awarded in FY 22. MHSA funds will support program planning and implementation to increase access to mental health and wellness services for Berkeley Unified School District students.
- General Fund Baseline Budget increases by an additional \$150,000 to help absorb the cost of salaries for certain grant-funded positions and for facility maintenance costs to support the move of the expanded Health Officer Unit to 1011 University and the Vital Statistics program to the Ground floor of 1947 Center Street to ensure public access.

The FY 23 and FY 24 Adopted Budget includes the following approved funding requests:

- **Reimagining Public Safety Initiative elements including:**
 - Behavioral Health, Crisis Response, and Crisis-related Services Needs and Capacity Assessments of 911/non-911 calls: \$100,000 (FY 23)
 - Youth Peers Mental Health Response (HHSC staff to deliver mental health wellness support and services to the Berkeley High School Mental Health Center): \$175,000 in both FY 23 & FY 24
 - Violence Prevention and Youth Services: Funding to community agencies for counseling services, summer jam day camp and other programs- \$210,000 in both FY 23 & FY 24
 - Respite from Gender Violence to provide services and housing leads for victims of Gender Violence - \$220,000 in both FY 23 & FY 24

- **Operations:**
 - Community Development Project Coordinator to support BART site housing development (Project Based Not to Exceed 3 Years): \$184,498 in both FY 23 & FY 24
 - Community Services Specialist II - to manage the implementation of Project RoomKey and the encampment grant (Project Based Not to Exceed 3 Years): \$207,439 in both FY 23 & FY 24

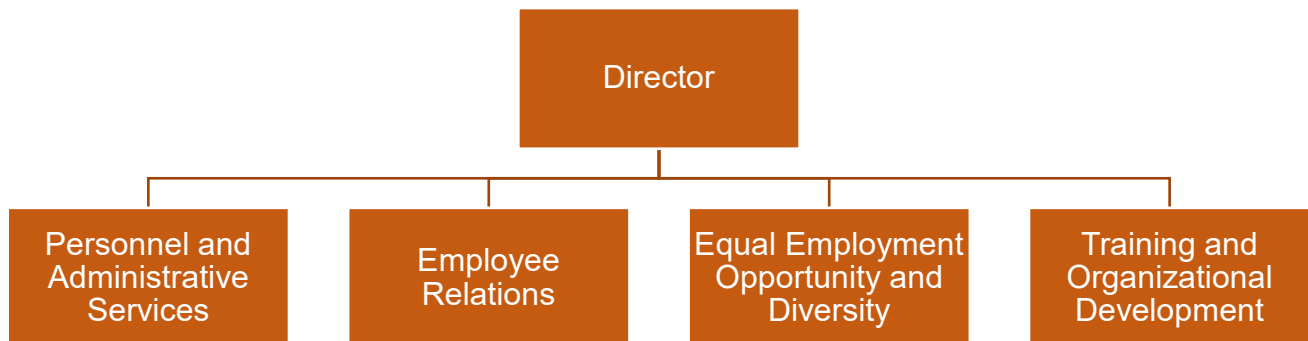
- **Council Budget Referrals:**
 - Developing Social Housing in the City: \$300,000 (FY 23)
 - Continuing Anti-Displacement Programs: \$900,000 in both FY 23 & FY 24
 - Supply Bank School Supply Distribution: \$30,000 in both FY 23 & FY 24
 - Housing Retention Fund: \$1,000,000 in both FY 23 & FY 24

HUMAN RESOURCES

MISSION STATEMENT

Partner with all City departments to hire and retain a diverse and highly qualified workforce that support the mission of the City of Berkeley. The Human Resources Department is committed to delivering excellent customer service, responding to and facilitating staff access to needed resources and tools. Working together in a spirit of continuous improvement and collaboration, the Human Resources team contributes to a progressive, productive, and safe work environment that meets the needs of our diverse community.

ORGANIZATIONAL CHART



HUMAN RESOURCES OVERVIEW

The Human Resources team serves the Berkeley community's need for a well-qualified high performing workforce by attracting and retaining a talented and diverse City government workforce. The role of the Human Resources Department is to serve as a strategic business partner to its internal and external customers and provide leadership, expertise, support and guidance to other City Departments in the areas of recruitment and selection for employment, occupational health and safety, employee benefits, workers' compensation, employee development and training, employee relations and equal employment opportunity programs and Classification and Compensation.

The Human Resources Department delivers the following baseline services:

- **Office of the Director:** The Office of the Director provides overall leadership and administrative direction for all Human Resources Department activities. The Director of Human Resources acts as the City Manager’s representative for all disciplinary and grievance appeals, serves as Secretary and provides staff support to the Personnel Board as established by Section 119 of the City Charter, and serves as Lead Strategist/Chief Negotiator with all employee groups.
- **Personnel and Administrative Services:** The Personnel and Administrative Services Division conducts all merit-based recruitment and examination activities in accordance with the City’s Personnel Rules and Regulations, federal and state laws, and other Ordinances and Resolutions adopted by City Council. Recruitment and examination activities include: developing examination plans, creating job announcements, conducting advertisement campaigns, reviewing applications, coordinating rater panels, administering exams, conducting statistical analyses of tests, and conducting new hire orientations and processing related paperwork. This Division also administers the classification and compensation plans; conducts organizational and compensation studies, job analysis and desk audits; processes all changes of employment status; and establishes and maintains all personnel records and tracks employee benefits.
- **Employee and Labor Relations:** The Employee and Labor Relations Division conducts all labor relations activities with the City’s seven labor organizations and represents the City Manager on employee relations matters; advises department staff on labor contract interpretations, federal and state employment laws, and human resources policies and procedures; and manages and reviews grievances and disciplinary issues. The Division also administers and assists departments with the City’s benefits, Workers’ Compensation, and Occupational Health and Safety programs. The City’s benefits plan includes: medical, dental, vision, and life insurance; Supplemental Retirement Income Plans; Deferred Compensation plans; CalPERS and PARS retirement plans; the Employee Assistance Program; long term disability, and other voluntary plans.
- **Training and Organizational Development:** The Training and Organizational Development Division administers and oversees the Citywide Training Program, which is designed to provide ongoing training and development to employees in skills that are fundamental to successfully achieving the City’s mission. The Citywide Training Program builds employee capacity in the “Three C’s” – Customer Service, One City Team, and Continuous Learning. In addition, the unit also oversees the Leadership Development, Management Skills, and Tuition Reimbursement programs, and provides organizational development services.

- **Equal Employment Opportunity (EEO) and Diversity:** The EEO and Diversity Division administers, implements, and coordinates the City's EEO matters; ensures compliance with EEO provisions; enforces diversity efforts pertaining to recruitment and retention; administers the City's Harassment Prevention Policy and discrimination complaint process; conducts internal investigations of complaints filed, and assesses reasonable accommodation requests in compliance with the provisions of the Americans with Disabilities Act (ADA) and the CA Fair Employment and Housing Act (FEHA).
- **Benefits Administration:** The Benefits Administration Division administers competitive insured and self-insured employee benefit plans that best meets the needs of employees, retirees, their dependents and the City, and assists participants in effectively utilizing their plans. Administration and oversight of this program area includes benefit contract management, management of the annual open enrollment event, COBRA administration, legal compliance, and daily support for constituents.
- **Workers Compensation and Safety:** The Workers Compensation and Safety Division administers the job-injury insurance program paid for by the City for the care of injured employees who have suffered a work-related injury or illness. The benefits include both medical care and disability benefits to help cover lost wage through a no-fault system and at no cost to the injured worker.

HUMAN RESOURCES DEPARTMENT FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	3,005,735	3,131,801	3,707,315	2,988,896	3,905,242	4,044,804
Services and Materials	492,664	520,275	300,260	295,308	598,260	598,260
Capital Outlay	(48)	131	-	-	-	-
Internal Services	398,483	397,973	406,841	405,841	406,841	406,841
Indirect Cost Transfer	27,854	27,911	23,637	21,581	29,540	29,836
Adopted Tier 1 Funding*	-	-	-	-	70,000	45,000
	3,924,687	4,078,091	4,438,053	3,711,625	5,009,883	5,124,741
By Division:						
Administration	805,401	801,030	834,891	649,943	700,823	730,085
Training & Organizational Development	585,097	510,229	462,648	474,230	629,665	647,287
Personnel & Administrative Services	1,100,820	959,378	1,560,286	1,173,247	1,587,057	1,631,511
Employee Relations	1,215,162	1,624,704	1,396,098	1,288,596	1,791,749	1,825,578
Equal Employment Opportunity & Diversity	217,791	182,750	184,130	125,608	230,589	245,280
Safety	416	-	-	-	-	-
Adopted Tier 1 Funding*	-	-	-	-	70,000	45,000
	3,924,687	4,078,091	4,438,053	3,711,625	5,009,883	5,124,741
By Fund:						
General Fund	2,270,953	2,318,029	2,407,724	2,193,444	3,050,172	3,113,206
Employee Training Fund	595,376	555,538	618,930	502,428	646,573	663,875
Workers' Compensation	799,902	802,103	1,161,080	760,464	1,012,381	1,039,255
FUND\$ Replacement	-	145,200	-	-	-	-
Permit Service Center	258,456	257,221	250,319	255,290	300,757	308,405
	3,924,687	4,078,091	4,438,053	3,711,625	5,009,883	5,124,741

* includes department requests and Council approved budget referrals

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Attract and retain a talented and diverse City government workforce	City Attorney, City Clerk, City Manager's Office	Skilled Workers Academy	<ul style="list-style-type: none"> • Providing training with intent to increase "pass outcomes" for entry level/other classifications into higher classifications and building a collaborative and engaged dialogue to provide On the Job Training to support "pass" outcomes • Developing alternative pipelines for career development for existing city staff leveraging internal & external resources • Enhancing and incentivizing Bachelor's degree completion 	7/20-6/24	Continuing	\$15,000/year (funded)





Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Attract and retain a talented and diverse City government workforce	City Attorney, City Clerk, City Manager's Office	Paid Family Leave Policy	Supplemental California Paid Sick Leave Program. City Council adopt this policy and refer to the City Manager and City Attorney to amend the proposed ordinance using recommendations by the Paid Family Leave Subcommittee; conforming to legal and code consistency requirements.	7/21-6/24	Continuing	To be determined
Create a resilient, safe, connected, and prepared city	All City departments	Citywide Safety Programs Plan for All Departments	To identify gaps and update City Safety plan. The review should include Cal OSHA mandatory Injury and Illness Prevention Program, expand safety training, revamp the required safety committee program, develop updated workplace violence prevention plan, and guidelines on early identification and mitigation for work place hazards. In our continued management of the different variants with COVID, this division needs resources to implement what is needed to address worker safety.	7/19-12/24	Continuing	\$50,000 (\$25,000 in FY 23 & 24)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Attract and retain a talented and diverse City government workforce	City Attorney, City Manager's Office	Revision of Personnel Rules and Regulations	Update and revise Rules and Regulations to comply with current federal and state laws; reflect best practices; and ensure the established rules are comprehensive and consistent. (formerly "Revision of Personnel Rules and Regulations and the Employer-Employee Relations Resolution, now split into 2 distinct projects).	6/19-6/24	Continuing	\$20,000/year (Funded in FY 23 & 24)
Attract and retain a talented and diverse City government workforce	City Attorney, City Manager's Office	Revision of the Employer-Employee Relations Resolution	Update and revise Resolution to comply with current federal and state laws; reflect best practices; and ensure the established rules are comprehensive and consistent. (formerly "Revision of Personnel Rules and Regulations and the Employer-Employee Relations Resolution, now split into 2 distinct projects).	6/19-6/24	Continuing	To be determined

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide an efficient and financially-healthy City government	All City departments	Succession Planning	In advance of a large amount of expected retirements in fiscal year 2018, develop and provide guidance to all City departments to improve succession planning and minimize disruption to the City government and the community it serves.	6/18-7/23	Continuing	Staff time

PERFORMANCE MEASURES SUMMARY

The below table summarizes the HR Department’s performance measures. More detailed information is available in the Performance Measures appendix to this document.

Measure	Description	Target	Actual	Tracking
City demographics/ diversity mirrors County demographics/ diversity	Identify/address disparities based on race/ethnicity categories in City workforce	Parity	<ul style="list-style-type: none"> 1,213 non-white employees in City’s workforce population (85% of Alameda County) 	
Reduction in the time it takes to address and close an EEO complaint	Average days to close an EEO complaint	↓	<ul style="list-style-type: none"> 30 days 	
Reduction in EEO complaints	Number of EEO complaints	↓	<ul style="list-style-type: none"> 5 complaints 	
Training attendance	<ul style="list-style-type: none"> Number of employees attending EEO-facilitated harassment trainings Number of citywide training available Number of people requesting tuition reimbursements 	↑	<ul style="list-style-type: none"> 677 employees attending EEO-facilitated trainings 134 citywide trainings available 4 tuition reimbursement requests 	
Appointments for Labor Relations Coordinating Committee (LRCC) counseling, advice, etc.	Number of LRCC appointments	n/a ²²	<ul style="list-style-type: none"> 161 appointments 	n/a

²² The reasons supervisors/managers choose to schedule one, several, or no appointments are outside the control of Employee Relations.

Measure	Description	Target	Actual	Tracking
Reduction in LRCC grievances and cases	<ul style="list-style-type: none"> Number of LRCC grievances and cases 	↓	<ul style="list-style-type: none"> 8 grievances opened, 3 grievances closed 161 cases opened, 161 cases closed 	●
Time to hire	Average number of days from requisition approval to hired status	↓	<ul style="list-style-type: none"> 242 days 	●

● Meeting/exceeding target

● Near target

● Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

CHALLENGES

Human Resources challenges include:

- Human Resources staffing.
- Recruiting and retention issues as a result of the “great resignation” – *creative solutions*.
- Providing ongoing testing options for COVID-19 testing.
- Ongoing challenges with ERMA/Transactions – *i.e. obtaining audit manual for payroll*
- Labor Relations impacted by COVID-19: Negotiating the City’s seven Memorandum of Understanding (MOU) with the City’s bargaining partners and implementing the 76 resulting provisions. Meet and confer process with the Unions on the Vaccination policy’s, workplace safety, and vaccination exemption process.
- Technology: Due to COVID-19, the NeoGov Onboarding and Performance Learning Management software full implementation which is critical to the organization for tracking and processing employees continues to be delayed. The NeoGov Performance and Learning Management module has been delayed pending the implementation of the Performance Learning module.

ACCOMPLISHMENTS

Highlights of recent Human Resources Department accomplishments include:

- **Personnel Administrative Services**
 - **Virtual Onboarding Process:** The Personnel and Administrative Services Division streamlined new hire processes and training, including collecting paperwork through virtual conference meetings with new hires and deploying the NeoGov Onboard Module, designed with self-service, document repository, and interactive dashboard functions to achieve increased consistency, efficiency and effectiveness.
 - **Implemented Hiring Freeze Exception Process:** In response to the citywide hiring freeze and minimizing staffing impact to departments, the Personnel and Administrative Services Division developed a procedure allowing departments to request hiring exceptions. In addition, the team enhanced the existing NeoGov system to support and report exceptions tracking.
 - **Business Process Improvements:** Staff identified and supported the implementation and development of several business process improvements in the development of Personnel Action (PA) workflows.

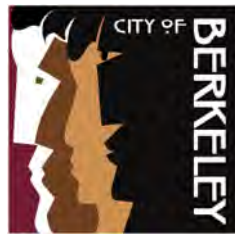
- **ERMA Personnel Action Workflow Training:** Staff served as subject matter experts for material development and training of payroll clerks on ERMA Personnel Action Workflows.
- **Employee and Labor Relations**
 - **Negotiation of Successor Union Contracts:** The Employee and Labor Relations Division negotiated 7 MOUs and implemented 76 MOU provisions.
- **Training**
 - **New Employee Orientation Training:** Due to the pandemic redesign New Employee and New Supervisor Orientations to a digital structure of 8 hours (versus 24 hour in person).
 - **Restructure of Training for Citywide services Return to Work:** The Training Division launched an urgent Needs Assessment to evaluate the next iteration of training to support staff resilience. This included analyzing the efficacy, present day and future forward relevance of mandated training, delivery modality and access constraints in anticipation of the post shelter-in-place era.
- **Reinstatement of the Supplemental Retirement Income Plan (SRIP) Investment Plan Committee:** The plan is administered by a committee of nine employees that adopt rules and regulations for the supervision of the SRIP plans.
- **Equal Employment Opportunity**
 - **Equity Committee:** The EEO Division expanded the membership and adopted rules and procedures to make recommendations on the Mason Tillman report.
- **Benefits Administration**
 - **City of Berkeley Benefits Plan:** The Benefits Administration Division updated new benefit rates and negotiated a new contract to manage retiree benefits, and managed the annual open enrollment event online, and provide daily support for current employees, as well as retired constituents.
- **Workers Comp and Safety Program**
 - **COVID-19 Response:** This Division implemented mandatory COVID-19 vaccination policy and updated policy developed for Administrative Regulations and Cal OSHA required COVID prevention Plan and Managers and Supervisors COVID-19 package. Contracted with onsite vender for COVID-19 testing.
 - **Workers Compensation Claims Revenue Recovery:** This Division reduced the Total Estimated Future Liability on the entire program during this period by 2% (or \$475,315), resulting in successful recovery of \$13,805.95 from the City's excess carriers and successful resolution of 16 claims.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 Adopted Budget increases by \$571,830, or 12.88% over the FY 22 Adopted Budget of \$4,438,053. This is primarily due to an increase of \$197,930 in salaries and benefit costs and \$298,000 in ongoing operational expenses added to the baseline budget for such items as applicant tracking and labor cost modeling software, sexual harassment online training programs, Skilled Workers Academy, tuition reimbursement and other professional services.

The FY 23 and FY 24 Adopted Budget includes the following approved funding requests:

- **Operations/Capital:**
 - Citywide Safety Programs: \$25,000 in both FY 23 & FY 24
 - Revision of Personnel Rules: \$20,000 in both FY 23 & FY 24
 - Engineering: Deep Class Engineer Study: \$25,000 (FY23) requested by the Public Works Department



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INFORMATION TECHNOLOGY

MISSION STATEMENT

The Department of Information Technology's vision is to provide excellent customer service through innovative and intuitive solutions with a diverse workforce to enable City operations, and to connect and deliver quality solutions for the community.

ORGANIZATIONAL CHART



DEPARTMENT OF INFORMATION TECHNOLOGY OVERVIEW

The Department of Information Technology (IT) provides cost-effective smart technology solutions to its business partners and community with integrity and commitment to excellence. IT is comprised of five operational divisions, as outlined below:

- **Office of the Director:** The Office of the Director oversees digital strategic planning, technology governance, policy and procedures, budget, technology procurement and contracts, vendor management, Council reports, performance metrics, leadership and team-building, project portfolio management, and performance management.
- **311 Customer Service:** 311 is the centralized customer service experience for the community and businesses, answering request for services for Public Works, Finance Business License, Residential Parking Permits, Citations, Refuse services & payments, general City service requests and more. To support this objective, Berkeley's 311 uses a Customer Relationship Management (CRM) software application to manage, track, and categorize customer service requests.

- **Enterprise Services:** Enterprise Services provides systems administration support, business analysis, and project management services to departments and the City for enterprise software applications across a variety of technology platforms.
- **Project Management and Analytics:** The Project Management and Analytics Division provides implementation services for new technology projects and support for existing technologies. Specifically, project management, programming, and business analysis services are provided to each department's technology portfolio to maximize interdepartmental workflow efficiencies.
- **Infrastructure, Security, and Operations:** The Infrastructure, Security and Operations Division provides technology operations support to the City. Services include Helpdesk, Network Engineering, and Cyber Security. This Division also provides 24x7 support for mission-critical systems, including 911 Computer Aided Dispatch (CAD), and Police/Fire Mobile Data Computers (MDCs).

The Helpdesk provides the first point of contact for City staff with computer hardware, software, or network connectivity issues. The Network Engineering and Security team provides infrastructure support for the City of Berkeley network, including servers, storage, Database Administration, Local Area Network (LAN), Wide Area Network (WAN), fiber, Internet, wireless, and desk phone services. The Cyber Security team plans and deploys initiatives around cyber security and works closely with departments to maintain compliance with data standards and applicable laws around data privacy and security.

IT DEPARTMENT FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	8,214,212	8,474,262	9,006,426	8,356,897	9,543,839	9,800,815
Services and Materials	6,616,883	7,136,408	9,573,160	7,156,504	10,912,371	10,868,713
Capital Outlay	25,068	-	920,649	-	920,649	920,649
Internal Services	624,609	925,968	910,297	920,103	910,297	910,297
Indirect Cost Transfer	15,133	15,493	13,356	15,047	-	-
	15,495,905	16,552,132	20,423,888	16,448,551	22,287,156	22,500,474
By Division:						
Office of IT Director	2,301,933	2,423,011	2,476,330	2,470,285	2,605,052	2,664,012
Project Management & Analytics	6,966,107	6,364,829	12,098,829	5,618,976	7,776,573	7,887,553
Infrastructure, Security & Operations	4,517,749	5,942,015	3,969,775	6,363,084	9,401,843	9,564,071
Customer Service 311	1,710,116	1,822,277	1,878,954	1,996,205	2,503,688	2,384,838
	15,495,905	16,552,131	20,423,888	16,448,551	22,287,156	22,500,474
By Fund:						
General Fund	1,396,627	1,330,730	1,526,760	1,446,932	1,526,760	1,526,760
IT Cost Allocation	11,104,138	12,006,689	14,673,515	12,485,844	17,059,277	17,248,501
Employee Training	157,257	160,712	188,374	148,374	188,374	188,374
Phone System Replacement	-	82,521	449,408	124,218	449,408	449,408
FUNDS\$ Replacement	2,101,361	2,508,754	3,292,694	1,790,418	2,924,340	2,948,434
Capital Improvement Program (CIP) Fund	5,360	-	-	-890	-	-
Zero Waste Fund	155,040	172,295	162,140	186,598	8,000	8,000
Sanitary Sewer Fund	-	18,025	-	24,967	-	-
Permit Service Center	231,086	238,570	-	145,675	-	-
PEG Access Facilities	-	-	100,000	-	100,000	100,000
Computer Replacement Fund	114,000	-	-	(4)	-	-
Other Funds	231,037	33,835	30,997	96,420	30,997	30,997
	15,495,905	16,552,132	20,423,888	16,448,551	22,287,156	22,500,474

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide an efficient and financially-healthy City government	Planning, Finance, Public Works, Fire	Upgrade Accela Environments	Upgrade Accela environments to ensure all are running a stable and supported version.	9/21-6/24	Continuing	\$200,000
Provide an efficient and financially-healthy City government	All City departments	Upgrade Analytics Now FUND\$ Web-based Reporting Tool	Upgrade the Analytics Now to version 11.1.x that is both supported by Central Square and provides enhancements over the current version.	2/21-3/23	Continuing	\$200,000
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	All City departments	Enterprise Architecture	Document the current architecture and implement ways to standardize. This would include documenting the As-Is architecture, implementing Source Control, creating document taxonomy etc.	7/20-6/24	Continuing	\$250,000
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	All City departments	Enterprise Data Integration	Develop plan/tool to integrate and manages data exchange across all connected systems in and out of the enterprise in a standard and efficient way.	6/20-6/24	Continuing	\$500,000

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide an efficient and financially-healthy City government	All City departments	SQL Server 2008 Upgrade/Migration Citywide	Upgrade to a Microsoft-supported version of SQL Server, continued support, improved security.	4/19-6/24	Continuing	\$150,000
Provide an efficient and financially-healthy City government	All City departments (led by City Manager's Office: Communications)	New City of Berkeley Website Phase 2	For FY 23, there will be some production management support and security enhancements and fixes for User Design / Interface issues.	3/19-6/22	New	\$200,000
Provide an efficient and financially-healthy City government	Health, Housing and Community Services	Alameda County Community Health Record Access for Public Health	Provide authorized City users with access to the Alameda County Community Health Record. Gather initial access information upon City Attorney approval.	8/21-6/24	Continuing	\$100,000
Provide an efficient and financially-healthy City government	Public Works	Accela Workflow Enhancements and Online Payments for Public Works	Accela workflow and functionality enhancements to provide online access to community members for payments for Public Works permits.	5/21-6/24	Continuing	\$35,000

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Finance	Accela Citizen Access – Expansion of Online Business Licensing Renewal to all Business Types	Currently only "Rental for Real Property" business licenses can renew their licenses online on web portal. Agency has requested this feature to be extended to other 19 Business Licensing types issued by City of Berkeley.	5/21-6/24	Continuing	\$50,000
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Planning	Accela: Building Permit Online Application for Planning	Request to create a new functionality that would allow the public to apply for, pay for, and receive permits online and check on status of permits.	2/21-6/24	Continuing	\$100,000

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Finance	FUND\$: Modify Zero Waste Billing Customer Charges for Official Payments	Modify the Utility Billing and Accounts Receivables scripts that send Customer Charges to Official Payments so that the scripts operate in production only (or Test as needed).	2/21-2/23	Continuing	\$150,000
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Finance	Accela: Enhancement/Fixes to Existing Accela Financial Reports	Provide enhancements requested by department on reports and fix issues reported by users.	1/21-6/24	Continuing	\$50,000

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Finance	Accela Refund Bridge Overpayment and Refunds	Process overpayments and refunds checks and provide reporting of same data.	1/21-6/24	Continuing	\$100,000
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	City Auditor	Mission Mark Audit Software	Using the Mission Mark Audit Platform to aid the City Auditor in managing and tracking ongoing audits recommendations, and publishing recommendations to the public website.	9/19-6/24	Continuing	\$24,000
Provide an efficient and financially-healthy City government	Police	Police Form filing system: Guardian Tracking	Digitize all of the papers that need signatures.	1/22-6/24	Continuing	\$50,000

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide an efficient and financially-healthy City government	Fire	Prioritized Dispatch for Fire	Fire dispatch application software.	1/22-12/22	Continuing	\$100,000
Create a resilient, safe, connected, and prepared city	Police	Next Generation 911 (NG 911)	Regional project to update 911 service infrastructure to enable the public to transmit text, images, video and data to 911 center.	3/20-6/24	Continuing	\$100,000
Create a resilient, safe, connected, and prepared city	Police	Open Data Project – Berkeley PD (Audit Response)	Collecting police data from various sources, including Stop Data, Call For Service, and Use of Force. Transforming and making this data available to the public.	6/19-6/24	Continuing	\$50,000
Create a resilient, safe, connected, and prepared city	Police	Migrate Evidence data from legacy system to current Evidence.com system	Migrate evidence data from Veripic (legacy system) to evidence.com (current system from Axon).	4/19-6/24	Continuing	\$100,000

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Police	Time Management Application for Police	Time Management Application for Police shift and time scheduling and tracking.	3/19-6/24	Continuing	\$50,000
Create a resilient, safe, connected, and prepared city	Police	Crime forum transition to new vendor	Migrate police crime forum to new software where various agencies share crime data.	1/19-6/24	Continuing	\$100,000
Provide an efficient and financially-healthy City government	Police	Microfiche Digitizing for Berkeley Police Department	Digitize remaining Police Department microfiche data to improve data management and accessibility.	1/19-6/24	Continuing	\$150,000
Provide an efficient and financially-healthy City government	Police	Migrate Legacy Police Records to supportable platform	Convert very old data from 80s and 90s to Microsoft SQL server.	1/19-6/24	Continuing	\$200,000

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected, and prepared city	Fire	Fire Aside software and mobile application	Provide a vegetation inspection software solution with phone application.	5/22-5/24	New	\$60,000
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	PW, Fire, Police, PRW	New 311 Customer Relationship Management System	Replace CRM System and integrate with other systems in the City such as AssetWorks.	5/22-6/24	New	\$500,000
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	All Departments	Microsoft SharePoint, OneDrive and Teams Citywide deployment	This is a project to redefine SharePoint and Teams functionality and launch intranet.	4/22-4/23	Continuing	\$100,000

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	All Departments	Smart Conference Rooms	This is a project to upgrade conference rooms and provide new technology for hybrid remote / onsite meetings and presentations.	7/22-12/22	New	\$80,000
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Planning, Finance, Fire	Master Address / Parcel Database	Produce a Master Address / Parcel database with continually updated information.	9/22-9/23	New	\$300,000

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Planning, Finance	Publish GIS data to Open Data Portal on City Web Site	Set up new data Hub for GIS data for internal and external use. Allows us to get rid of duplicated software.	To be determined	New	\$150,000
Provide an efficient and financially-healthy City government	Finance	FUND\$ upgrade Phase 2 from v7.3 to v7.4	Upgrade to more recent version to be compliant with maintenance agreement and upgrade Rocket LMi Source Control software.	12/22-9/23	Continuing	\$200,000
Provide an efficient and financially-healthy City government	Planning	Accela Electronic Document Management System	Replaces system out of compliance.	6/22-12/22	New	\$200,000

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected, and prepared city	All Departments	Business Impact Analysis	Provide Disaster Recovery of critical and non-critical systems in the City government.	1/19-5/24	Continuing	\$100,000
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	HR	Human Resources systems for learning management, performance management and employee onboarding	Add modules for staff onboarding, classes for staff, and performance management.	7/22-12/23	Continuing	\$71,000
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	City Manager's Office, Animal Services, Finance	Animal Services License System (Online Dog Licensing)	Provide on-line services for Animal Shelter.	8/22-11/22	Continuing	\$14,000
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Public Works	FUND\$ Replacement: Zero Waste Management and Billing System	Implement software to manage operations and billing for Zero Waste.	1/21-6/23	New	\$500,000

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Public Works	FUND\$ Replacement: Fleet Management	Implement software to manage City fleet of vehicles.	7/21-12/22	New	\$500,000
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Public Works	Capital Improvement Projects software	Implement capital improvements project and financial management software.	To be determined	New	\$2,100,000
Provide an efficient and financially-healthy City government	Planning, Public Works, Fire	Digital Permit software Replacement	Replace existing software.	To be determined	New	\$3,600,000
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	City Attorney	Case Management and Practice Management Software	Case management software for Legal; RFP being reviewed.	To be determined	New	\$112,500

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	City Attorney	Scheduling Software	Software to manage charges / schedules for Legal.	7/22-12/22	New	\$25,000
Provide an efficient and financially-healthy City government	Finance	FUND\$ Upgrade NetIQ Security Software	Upgrade security for FUND\$ financial software.	12/22-6/23	Continuing	\$50,000
Provide an efficient and financially-healthy City government	Human Resources	ERMA: AR/GB (Accounts Receivable / General Billing)	Enable accounts receivable and general functionality in ERMA (Tyler Munis) software.	To be determined	Continuing	\$350,000
Provide an efficient and financially-healthy City government	Human Resources	ERMA: ESS (Employee Self Service)	Enable employees to view own time off, pay stub, W2 information in ERMA.	To be determined	Continuing	\$96,000
Provide an efficient and financially-healthy City government	Finance	Automation of BL Delinquent Report (fixes to existing Accela Finance Reports)	Add reporting for delinquent payments.	To be determined	Continuing	\$50,000

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide an efficient and financially-healthy City government	Finance	Accela Refund Bridge Overpayment and Refunds	Code to track overpayments and refunds per permit.	1/19-8/22	Continuing	\$50,000
Provide an efficient and financially-healthy City government	Payroll Audit	ERMA/Time and attendance system (ExecuTime)	Software to allow staff to input own time sheets and for approvals to be automated and electronic.	To be determined	Continuing	\$235,000
Create a resilient, safe, connected, and prepared city	Parks, Recreation and Waterfront	New Security Gate System @ Waterfront	Security gate for Berkeley Marina.	2/22-8/22	New	\$92,000
Provide an efficient and financially-healthy City government	Finance	Business licensing software replacement	New software for business licenses.	To be determined	Continuing	\$500,000

PERFORMANCE MEASURES SUMMARY

The below table summarizes the IT Department’s performance measures. More detailed information is available in the Performance Measures appendix to this document.

Measure	Description	Target	Actual	Tracking
First call resolution	Number of queries answered on the first call by: <ul style="list-style-type: none"> • 311 Customer Service (external) • Helpdesk (internal) 	↑	<ul style="list-style-type: none"> • 84% first call resolution, 311 Customer Service • 45% first call resolution, Help Desk 	●
Percent abandonment rate	Abandoned calls divided by total number of inbound calls received by 311 Customer Service (external)	↓	<ul style="list-style-type: none"> • 20% abandon rate, 311 Customer Service 	●

● Meeting/exceeding target

● Near target

● Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

CHALLENGES

In 311, total service requests increased 2% in FY 2021 while the staffing budget remained flat. 311 maintained a hybrid staffing model throughout the COVID pandemic using Direct Line Services to cover meetings, lunch hour, and day end payment balancing. A recent Community Survey confirmed that community and businesses reach out more often to 311 customer service for assistance by phone, website, and email.

Customer calls for service and payment by phone remained strong during the pandemic and remain so today. The focus of 311 is to utilize staffing to maintain the highest level of service to the community.

In FY 23, 311 will publish a request for proposals (RFP) for a new customer relationship management (CRM) software application that will allow 311 to expand services through the website, mobile application and other technology features to allow customers to self-service.

Other IT challenges include:

- **Resources and Stability:** Operations and core technologies require investment, resources and stabilization.
- **Balancing Projects and Core Services:** The IT Department has an extensive, ambitious project portfolio which diverts resources from core IT service delivery.
- **Employee Retention and Recruitment:** The technology team has a 22% vacancy rate stemming from the “great resignation”, retirements, and a hot job market for tech. To address employee retention, the IT Department will focus on has a need for professional development opportunities and success planning.
- **Work Space:** The IT Department has very a tight office space. These office space limitations impact service levels.
- **Standards:** There is a lack of technology standards and adoption of redundant technologies. This is when multiple tools are deployed in different parts of the City, serving the same need (e.g., Zoom, Microsoft Teams, and Skype) or multiple tools serving the same employee (e.g., a desktop and laptop per employee instead of a laptop and a docking station). The lack of standards, together with redundant technologies, cause inefficiencies and excessive costs.
- **COVID-19 Technology Response:** IT continues to receive requests for immediate software and hardware solutions to assist with remote work. Full staffing will assist with response time to our internal departments.

ACCOMPLISHMENTS

The IT Department completed many innovative projects and achieved operational success while struggling with challenges related to staffing and pandemic response. Accomplishments include the following:

- COVID/Remote Work Response
- Website Reinvention Project
- ERMA Payroll System and Budget Module launch
- New Recruiting System (NeoGov)
- Racial and Identity Profiling Act (RIPA) Reporting
- Internal Crime Mapping Dashboard
- Council Redistricting Mapping
- Interactive Kiosk Deployment (IKE)
- New Irrigation System for Parks
- Public Works Work Order System (NexGen)
- Public Records Act System
- City's Phone System Upgrade
- Server & Storage Replacement
- Data Backup Replacement
- Cybersecurity Projects: 60% of Cyber Resiliency Plan projects are completed.
- COVID-19 Information Services: 311 was an essential service to the community in terms of responding to COVID-19 requests for information. In calendar year 2020, in a 7-month Period, 311 responded to over 7,000 emails. In calendar year 2021 there were many changes to the Public Health Orders and masking mandate and 311 processed over 16,000 emails, including requests for information on where to get vaccinated and how to find testing locations in Berkeley. Calendar year 2022 has started off with far less inquiries, with most of the current inquiries pertaining to testing and vaccine information.
- 311 Customer Service: The 311 Customer Service Center remained fully staffed offering the community a consistent contact for services, resulting in increased requests via website and mobile applications. 311 staff working at home focus on service requests received through the website, mobile cases, Direct Line coverage cases, email, and voicemail. Responses for these case types improved from two days service level to same day response.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 Adopted Budget increases by \$1,863,268, or 9.12% over the FY 22 Adopted Budget of \$20,423,888. This is primarily due to an increase of \$537,413 in salaries and benefit costs and \$1.325 million net increase in the non-personnel budget of the Infrastructure, Security, and Ops division and the 311 Customer Service division.

The FY 23 and FY 24 Adopted Budget includes the following approved funding requests to be covered through the IT Cost Allocation Plan:

- Operations:
 - Assistant Management Analyst: \$142,312 in both FY 23 & FY 24
 - Customer Services Specialist III: \$129,988 in both FY 23 & FY 24
 - Senior Information System Specialist: \$176,109 in both FY 23 & FY 24



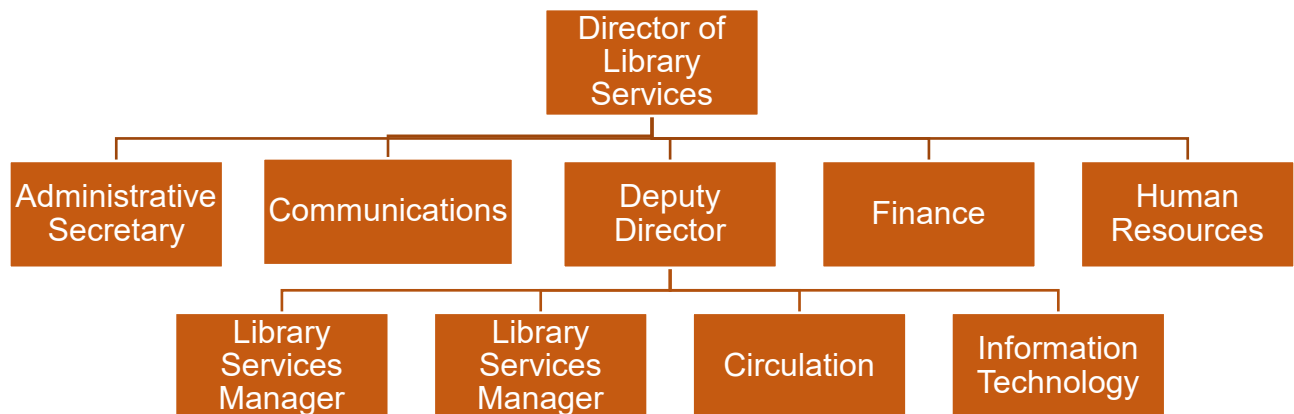
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BERKELEY PUBLIC LIBRARY

MISSION STATEMENT

We believe free, universal access to information is fundamental to a healthy democracy and that reading and learning are key to a well-lived life. The Berkeley Public Library is a trusted hub of reading, learning, and community engagement.

ORGANIZATIONAL CHART



BERKELEY PUBLIC LIBRARY OVERVIEW

Berkeley Public Library (Library) provides access to collections of physical and electronic books, music, articles, and films; offers cultural and learning experiences for community members; provides access to spaces for studying and meeting with others; and develops opportunities for community engagement and skill sharing. The Library offers five facilities: the Central Library in downtown Berkeley and four neighborhood branches: Claremont, North, Tarea Hall Pittman South, and West. The Tarea Hall Pittman South facility includes the Tool Lending Library that provides access to a wide range collection of borrowable household tools. The Berkeley Public Library contains the following divisions:

- **Branch and Central Library Services:** These subdivisions provide direct services to community members in the form of programming for all ages; technology support; access to tools; readers' advisory; outreach to community events; and information and referral services.

Subdivisions of the Branch and Central Library Services include:

- Central Adult Services,
 - Central Children's Services,
 - Central Support Services,
 - Claremont Branch,
 - North Branch,
 - Tarea Hall Pittman South Branch,
 - Tool Lending Library, and
 - West Branch.
- **Collections Services:** The Collection Services subdivision develops collections of physical and electronic resources that meet the reading and cultural interests of Berkeley's diverse community. Collections Services is responsible for the acquisition, selection, cataloging, processing, and ongoing evaluation of library materials and resources.
 - **Facilities Management:** The Facilities Management subdivision maintains the mechanical systems and physical plant of the five Berkeley Public Library facilities. This subdivision's practices emphasize environmentally sound and cost-effective solutions.
 - **Information Technology:** The Library Information Technology subdivision manages the Library's networks, servers, computers, and enterprise applications. The subdivision also provides computer hardware and software support and training.
 - **Circulation Services:** The Circulation Services subdivision oversees the check-out, check-in, and shelving of Library materials. The subdivision creates and maintains the Library's database of patron accounts; handles patron fees; coordinates patron holds and interlibrary reserves; performs physical delivery of materials to and from the branches; and offers Books-by-Mail services to patrons for reasons of mobility.
 - **Literacy Services:** The Literacy Services subdivision, known as BerkeleyREADS, provides tutoring and literacy support services for clients aged 16 years and older. This subdivision coordinates family literacy outreach that includes story times, the distribution of free books, and parent literacy workshops at partner sites that serve disadvantaged families.
 - **Library Administration - Finance, Communications and Human Resources:** The Finance and Human Resources subdivisions oversee personnel records, accounting and payroll functions, financial measurements and reports, and oversight of business contracts and purchasing, in addition to management of the Library Tax Fund, the BPL Foundation Fund, the Friends and Gift Fund, and all other Library revenue and expenditure sources. Communications supports effective internal and external messaging to all stakeholders.

Services the Library provides include the following:

- Access to a collection of over 400,000 physical books.
- Access to 739,000 electronic books.
- Access to over 68,000 films (DVDs and streaming).
- Access to over 400,000 audiobooks and music (CDs and streaming).
- Access to millions of additional book, DVD, and CD titles through the Link+ consortium of public and academic libraries.
- Access to five facilities that are open a total of 13,624 hours annually.
- Approximately over 300 cultural and educational programs annually, including literacy programs, story times, lectures, discussions, intergenerational programs, musical programs, and more. Programming is offered in a variety of formats, including virtually, outdoors, and in-person.
- 500 reader seats across the five facilities.
- An adult literacy program offering one-on-one tutoring and group programs for adults wishing to improve their practical reading skills.
- Access to free and discounted museum passes through the Library's Discover & Go program.
- Delivery of materials to and from each branch providing community members full access to the entire Library collection regardless of their location in the City.

LIBRARY FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	13,413,608	13,019,367	15,965,123	12,827,335	17,598,956	17,562,631
Services and Materials	4,452,402	4,475,423	5,900,330	4,687,152	6,173,760	6,173,760
Capital Outlay	792,955	2,566,172	3,504,000	771,793	949,000	1,249,000
Internal Services	206,499	194,281	196,888	190,296	196,888	196,888
Indirect Cost Transfer	-	-	-	-	-	-
	18,865,464	20,255,244	25,566,341	18,476,576	24,918,604	25,182,279
By Division:						
Library Administration	2,367,869	4,879,186	5,883,762	2,791,283	3,438,536	3,746,057
Operations	16,497,595	15,376,057	19,682,579	15,685,295	21,480,068	21,436,222
	18,865,464	20,255,244	25,566,341	18,476,578	24,918,604	25,182,279
By Fund:						
Library Fund	18,698,465	19,524,604	25,001,452	18,256,321	24,502,275	24,764,753
Library - Grants	38,841	87,844	64,889	81,657	66,330	67,526
Library Friends & Gift Fund	64,117	65,428	150,000	78,322	150,000	150,000
Library Foundation	64,041	577,368	350,000	60,277	200,000	200,000
	18,865,464	20,255,244	25,566,341	18,476,577	24,918,604	25,182,279

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
DIVISION/ACTIVITY SUMMARY						
Library Administration						
Director	1,663,905	2,197,326	2,633,762	1,984,150	2,838,536	2,846,057
Capital Projects	703,964	2,681,861	3,250,000	807,042	600,000	900,000
Information Systems	-	-	-	91	-	-
Division Total	2,367,869	4,879,186	5,883,762	2,791,283	3,438,536	3,746,057
Operations						
Deputy Director	5,754	689	-	-	-	-
Information Systems	1,903,119	1,792,138	2,026,454	1,981,603	2,110,624	2,136,885
Facilities	1,401,515	1,221,508	1,771,685	1,293,015	1,815,254	1,823,693
Circulation Services	2,539,767	2,220,412	3,049,652	2,535,153	3,322,840	3,357,616
Central Children's Services	907,409	827,554	1,060,955	822,263	1,320,939	1,324,667
Central Art and Music	278,001	250,498	480,700	193,827	650,134	568,030
Central Reference	883,291	889,463	1,198,724	839,837	1,473,504	1,447,818
Central Support	351,024	387,595	962,941	396,969	996,111	977,182
North Branch	1,175,138	1,170,370	1,336,112	938,159	1,439,488	1,426,555
South Branch	1,134,267	973,428	1,240,124	1,012,164	1,306,143	1,323,071
West Branch	1,088,655	952,253	1,203,597	878,930	1,374,025	1,374,007
Claremont Branch	1,091,399	942,429	1,266,421	1,040,678	1,363,898	1,353,332
Collections	2,927,292	2,920,958	3,215,052	2,923,925	3,410,072	3,414,475
Tool Library	422,018	380,071	429,508	417,283	447,510	446,275
Literacy Programs	388,946	446,691	440,654	411,490	449,526	462,618
Division Total	16,497,595	15,376,057	19,682,579	15,685,295	21,480,068	21,436,222
Department Total	18,865,464	20,255,244	25,566,341	18,476,578	24,918,604	25,182,279

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

The Berkeley Public Library supports the City of Berkeley Strategic Plan and has identified three key goals that significantly relate to the Library’s mission:

- Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities.
- Champion and demonstrate social and racial equity.
- Provide excellent, timely, easily-accessible service and information to the community.

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Champion and demonstrate social and racial equity	Berkeley Public Library staff, CA State Library, CALIFA, GARE (Government Alliance on Race and Equity)	Equity, Diversity and Inclusion Initiatives	Berkeley Public Library staff team, the Library Racial Justice Advisory Group (RJAG), drafting a racial equity action plan for the Library; EDI and trauma-informed service trainings for Library staff	3/21-Ongoing	Continuing	\$20,000 (Library Tax Fund)
Provide excellent, timely, easily-accessible service and information to the community	Health, Housing and Community Services (for best practices), local agencies serving people experiencing housing insecurity	Community outreach and resourcing	The Library serves patrons who experience mental health needs as well as housing insecurity. Many public libraries have identified a need for a social worker to provide services and build capacity amongst staff in working with these community members.	7/21-Ongoing	New	\$142,117 (Library Tax Fund)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Public Works	Address Deferred Maintenance	Redesign and replacement of Bancroft Wing exterior stucco and windows. Address replacement needs for air conditional units and roof of Central Library.	12/21-12/22	Continuing	\$2 million (Library Tax Fund)
Create a resilient, safe, connected, and prepared City	Library staff, administration, Foundation, Friends, City partners such as the Office of Economic Development, Berkeley Unified School District and the Chamber of Commerce	COVID-19 Pandemic Response	Support community resilience and growth through offering programs and awareness of or access to information and Library materials that respond to the community's changing needs during the pandemic.	7/21-Ongoing	Continuing	\$20,000 (Friends of the Berkeley Public Library)
Provide excellent, timely, easily-accessible service and information to the community	Information Technology, Berkeley Public Library staff	Online User Experience Improvements	Improve web-based access to Library's online catalog for the public to improve search experience; restore meeting room booking, events management, and registration.	5/22-6/24	New	\$150,000 (Library Tax Fund)

PERFORMANCE MEASURES SUMMARY

The below table summarizes the Berkeley Public Library's performance measures. More detailed information is available in the Performance Measures appendix to this document.

Measure	Description	Target	Actual	Tracking
Circulation of books and electronic materials	Count of electronic and physical items that circulated in a given year	↑	<ul style="list-style-type: none"> 935,152 electronic items \$1,873,090 physical items 	●
Access to books and materials	Number of registered users as a percentage of service population	↑	<ul style="list-style-type: none"> 144,041 registered users 	●
Provision of information services	Count of reference transactions	↑	<ul style="list-style-type: none"> 10,000 transactions 	●

● Meeting/exceeding target

● Near target

● Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

CHALLENGES

Berkeley Public Library's current challenges include:

- Staff vacancies at approximately 28% (departures, retirements); recruitment during citywide hiring freeze,
- Aging physical plant and equipment deferred projects at the Central Library, including stucco replacement, air conditioning units, and roof replacement,
- Transitioning programming and service back to in-person settings, centering patron and staff safety, while continuing to navigate stages and surges of the global pandemic, and
- Addressing social equity and community wellness inside and outside Library facilities.

With respect to future challenges, concerns related to balancing collection needs and increasing costs will persist, along with support of information technology infrastructure:

- The cost of licensing e-books and e-audiobooks remains high as demand continues to increase and there is need for replenishment of the physical collection at the same time. There are also pay-per use licensing costs for streaming media.
- Along with an aging physical plant, the Library will need to plan for needed maintenance and enhancements to IT infrastructure.

ACCOMPLISHMENTS

Highlights of recent Berkeley Public Library accomplishments include:

- **Central Library Improvement Project:** The Central Library Improvement Project, made possible through the support and partnership of the Berkeley Public Library Foundation, successfully completed its first phase. This included creating safer spaces, interior renovations, a new Teen Room, and a new Mystery Room, reopened to the public in June 2021.
- **Library Reopening:** The Central Library and all branch libraries reopened for outdoor services by June 2020 and indoor services by June 2021. Virtual programming began in summer 2020, followed by outdoor programming in summer 2021, and the reintroduction of limited indoor programming this winter.
- **Racial Justice Advisory Group:** The Berkeley Public Library was accepted into the year one cohort of California Libraries Cultivating Race, Equity and Inclusion Initiative (CREI). An internal change team (Racial Justice Advisory Group [RJAG]) was formed and participated in training with the Government Alliance on Race and Equity (GARE). RJAG's work continues and is expanding, despite the state CREI initiative not being funded for a year two.

- **Increase in Electronic Holdings:** The Berkeley Public Library substantially increased its e-collections and e-resource holdings to match the increase in patron use during the pandemic.
- **Programming Pivots:** To continue to deliver the same level and quality of services in a pandemic environment, the Berkeley Public Library pivoted to develop and provide robust virtual programming for all ages as well as introducing a significant amount of outdoor, in-person programming.
- **Supporting Patrons Remotely:** Throughout the pandemic, when library buildings were closed to the public, questions continued to pour into the Reference Desk. Staff provided patrons support over the phone and through e-mail, answering information questions, such as where to register to vote, or queries asking for ideas about good books to read.
- **Ensuring Equity Access and Service:** During the pandemic, Berkeley Public Library identified a variety of methods to ensure everyone in the community especially vulnerable populations could continue to access library services. This included expanding the books-by-mail program, developing laptop and Wi-Fi hotspot lending programs, and developing and promoting outdoor service models.
- **Strengthening Partnerships:** Berkeley Public Library strengthened its partnerships with City departments, Berkeley Unified School District, and community organizations while working together on the Emergency Operations Center, outreach and crisis communications, and providing the community with resources.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23-24 Adopted budget includes funding for the following items:

- Conversion of one non-benefited, non-career Library Aide position to a .5 FTE benefited Library Aide
- Library Materials to >\$2M: Library Tax Fund, increase maintained from last year
- Physical Plant and Infrastructure Deferred and Ongoing Maintenance: Library Tax Fund, \$2 million budgeted
- Enhancements to the Library's information technology platforms for the public including meeting room booking and catalog access
- Funding to support key projects such as strategic planning and system-wide Equity, Diversity and Inclusion (EDI) training
- Library Tax Fund Reserves adjusted to 6% percent of adopted revenues

MAYOR & COUNCIL

The Berkeley City Council consists of a Mayor and eight (8) Councilmembers. The City is divided into eight districts, which are used for the election of Councilmembers while the Mayor is elected citywide. The Mayor is the President of the Council and votes as an individual ninth member.

Following is a list of the current Council and office contact information.

Mayor Jesse Arreguín, (510) 981-7100

District 1 - Councilmember Rashi Kesarwani, (510) 981-7110

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

District 3 - Councilmember Ben Bartlett, (510) 981-7130

District 4 – Councilmember Kate Harrison, (510) 981-7140

District 5 - Councilmember Sophie Hahn, (510) 981-7150

District 6 - Councilmember Susan Wengraf, (510) 981-7160

District 7 - Councilmember Rigel Robinson, (510) 981-7170

District 8 - Councilmember Lori Droste, (510) 981-7180

MAYOR & COUNCIL FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	2,041,868	2,220,692	2,723,468	2,723,468	3,652,032	3,702,257
Services and Materials	127,547	126,194	113,526	113,526	113,526	113,526
Capital Outlay	-	-	-	-	-	-
Internal Services	356,505	361,958	259,565	259,565	259,565	259,565
Indirect Cost Transfer	-	-	-	-	-	-
Adopted Tier 1 Funding *	-	-	-	-	760,032	760,032
	2,525,920	2,708,844	3,096,559	3,096,559	4,785,155	4,835,380
By Division:						
Mayor's Office	688,527	689,572	1,118,408	834,385	1,321,961	1,337,529
Council Offices	1,837,392	2,019,272	1,978,151	2,500,322	2,703,162	2,737,819
Adopted Tier 1 Funding *	-	-	-	-	760,032	760,032
	2,525,920	2,708,844	3,096,559	3,334,707	4,785,155	4,835,380
By Fund:						
General Fund	2,525,920	2,701,344	3,096,559	3,334,707	4,785,155	4,835,380
One-Time Grant: No Cap Exp	-	7,500	-	-	-	-
	2,525,920	2,708,844	3,096,559	3,334,707	4,785,155	4,835,380

* includes department requests and Council approved budget referrals

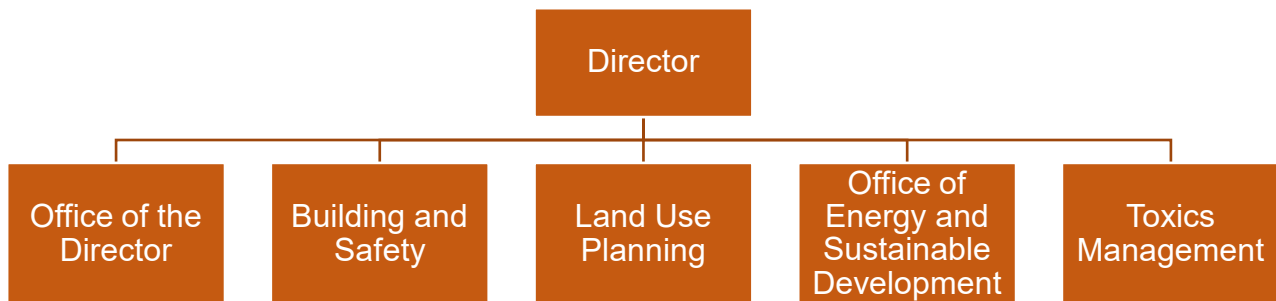
* additional funding equivalent of 0.5 FTE per Council office, which includes Adopted Tier 1 funding of \$438,160 for salaries and additional \$321,872 for fringe benefits.

PLANNING

MISSION STATEMENT

The Planning and Development Department's mission is to enhance safety, livability and resilience in the built environment and to work with the community to promote and protect Berkeley's distinctive neighborhoods, vibrant commercial areas, unique character and natural resources for current and future generations.

ORGANIZATIONAL CHART



PLANNING AND DEVELOPMENT DEPARTMENT OVERVIEW

The Planning and Development Department consists of approximately 116 career full- and part-time staff, and is organized into five divisions, including the Office of the Director, which all work together to plan, implement, and monitor the physical environment of Berkeley. The Department provides the following services:

- **Office of the Director:** The Office of the Director provides department-wide leadership, management oversight, and policy direction for overall operations and implementation. The Office oversees information technology projects, special projects and research, budget and fiscal oversight, regulatory compliance and reporting, and purchasing, and payroll and accounting services for the Department.

- **Building and Safety Division (B&S):** The Division reviews proposed construction documents for conformance to the building and other applicable codes; approves building, plumbing, mechanical and electrical permits; inspects construction projects to ensure conformance with the approved plans and code provisions; investigates work done without permits; provides code information and interpretation to the public and other city agencies; ensures the safety of Berkeley's rental housing stock; and manages programs to mitigate seismic risk in existing buildings.
- **Land Use Planning Division (LUP):** The Division is responsible for researching and implementing land use policy and regulations for the City of Berkeley. The land use policy section prepares amendments to the Zoning Ordinance, the General Plan, area plans, and other long-range planning policies that guide future development and preservation in Berkeley. The development projects section reviews proposed projects for conformance with the Zoning Ordinance, the General Plan, and other applicable plans, policies and regulations.
- **Office of Energy and Sustainable Development (OESD):** The Division develops policies and implements programs to promote resilience and sustainable practices, and to reduce energy and water use and the associated greenhouse gas emissions in both City operations and the Berkeley community.
- **Toxics Management Division (TMD):** The Division is the City's regulatory agency and a State-Certified Unified Program Agency (CUPA), responsible for implementing, inspecting and enforcing California Environmental Protection Agency and hazardous materials codes associated with the Governor's Office of Emergency Services and State Fire Marshall within the City of Berkeley. TMD also responds to community complaints, assists the City with toxicological concerns, and inspects industrial sites for storm water pollution prevention.

PLANNING DEPARTMENT FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	15,122,379	15,370,250	17,985,711	15,839,430	19,322,940	19,904,438
Services and Materials	3,218,242	3,052,302	3,876,712	3,128,761	4,042,425	4,012,225
Capital Outlay	-	-	58,000	-	34,500	-
Internal Services	1,745,416	1,764,326	1,789,024	2,166,761	1,841,874	1,841,874
Indirect Cost Transfer	1,509,391	1,500,812	1,543,282	1,349,548	1,925,166	1,959,694
All Other	-	-	-	640	-	-
Adopted Tier 1 Funding *	-	-	-	-	1,855,129	275,129
	21,595,429	21,687,691	25,252,729	22,485,141	29,022,035	27,993,361
By Division:						
Office of the Director	2,680,738	2,385,602	2,997,712	3,083,180	3,594,115	3,670,791
Toxics Management	1,131,212	1,252,026	1,415,697	1,111,041	1,493,004	1,520,605
Energy & Sustainability	1,400,369	1,248,890	1,566,545	1,364,763	1,917,861	1,939,650
Land Use	5,783,493	6,231,031	6,317,163	5,459,646	7,081,353	7,119,356
Building & Safety	10,599,617	10,570,142	12,955,612	11,466,511	13,080,572	13,467,829
Adopted Tier 1 Funding *	-	-	-	-	1,855,129	275,129
	21,595,429	21,687,691	25,252,729	22,485,141	29,022,035	27,993,361
By Fund:						
General Fund	2,540,320	2,567,473	2,325,367	2,629,757	4,917,453	3,380,891
Capital Improvement Program (CIP) Fund	19,779	21,364	26,537	22,295	27,760	28,354
Rental Housing Safety	1,325,597	1,399,404	2,230,164	1,485,636	1,902,671	2,044,695
Parks Tax	38,612	41,038	40,566	38,689	43,399	46,819
Zero Waste	41,653	43,574	49,500	48,375	108,182	105,882
Sewer	43,444	46,105	44,923	42,465	48,397	52,164
Clean Storm Water	117,946	163,524	179,238	134,461	184,870	188,010
Permit Service Center	16,092,915	15,638,895	18,762,608	16,671,149	19,975,342	20,325,912
Unified Program (CUPA)	688,743	671,925	803,266	646,887	859,340	867,113
Other Funds	686,419	1,094,388	790,560	765,428	954,621	953,520
	21,595,429	21,687,691	25,252,729	22,485,141	29,022,035	27,993,361

* includes department requests and Council approved budget referrals

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
DIVISION/ACTIVITY SUMMARY						
Office of the Director						
Administration	2,680,738	2,385,602	2,997,712	3,083,180	3,594,115	3,670,791
Division Total	2,680,738	2,385,602	2,997,712	3,083,180	3,594,115	3,670,791
Toxics Management						
Toxics - CUPA	627,709	644,912	729,282	581,044	780,892	785,075
Toxics - Non-CUPA	503,504	607,113	686,415	529,997	712,112	735,530
Division Total	1,131,212	1,252,026	1,415,697	1,111,041	1,493,004	1,520,605
Energy & Sustainability						
ESD - Green Building	1,400,369	1,248,890	1,566,545	1,364,763	1,917,861	1,939,650
Division Total	1,400,369	1,248,890	1,566,545	1,364,763	1,917,861	1,939,650
Land Use						
ESD - Green Building	32,725					
Land Use Plan Admin	408,215	405,921	308,097	467,979	612,105	599,667
Land Use	5,342,553	5,825,111	6,009,066	4,991,667	6,469,248	6,519,689
Division Total	5,783,493	6,231,031	6,317,163	5,459,646	7,081,353	7,119,356
Building & Safety						
Building Safety						
Administration	331,136	335,298	331,820	338,951	340,447	346,094
Permit Center	1,490,812	1,579,096	1,810,541	1,682,057	2,153,280	2,168,094
Building Inspection	6,866,285	6,515,254	8,058,373	7,129,161	7,888,140	8,022,109
Housing Inspection	1,082,494	1,248,786	1,981,233	1,346,212	1,737,609	1,875,047
PW Engineering	412,350	299,082	246,809	381,582	471,837	499,133
Fire Permits	416,540	592,626	526,836	588,549	489,260	557,352
Division Total	10,599,617	10,570,142	12,955,612	11,466,511	13,080,572	13,467,829
Adopted Tier 1 Funding*					1,855,129	275,129
Division Total					1,855,129	275,129
Department Total	21,595,429	21,687,691	25,252,729	22,485,141	29,022,035	27,993,361

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment	Information Technology, Public Works	Residential EV Charging Pilot Program, Next Generation	Develop equitable solutions for residential charging access such as the development of DC Fast Charging hubs.	6/17-6/24	New	Staff time only (Note a corresponding budget referral adopted by Council on 2/8/22.)
Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment	Information Technology and Public Works	Municipal Building Energy Policy (/New Municipal Building Energy Policy)	Update Municipal Building Energy/Green Building Policy and energy and water use data management system to assure efficient use of resources and reductions in greenhouse gas emissions and utility costs.	7/19-6/24	Continuing	\$50,000 (FY 23 funded)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment		Climate Equity Fund	Implement Climate Equity Fund Pilot Programs in building and mobility electrification and equitable community engagement with low-income communities	7/22-6/24	New	\$600,000 (funded)
Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment		Climate Adaptation Planning (/Climate Adaption Work)	Participate in regional coordination and grant-funded study of geographic impacts of ground water and sea level rise.	7/19-6/23	Continuing	Staff time only

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create affordable housing and support services for our most vulnerable community members	City Attorney, HHCS	23-2031 Housing Element Update	Update the Housing Element of the General Plan, with corresponding updates to the Zoning Ordinance, to accommodate Regional Housing Needs Allocation and increase access to housing.	5/21-5/23	Continuing	\$540,000 (funded)
Create a resilient, safe, connected, and prepared city	Public Works, City Manager, City Attorney	Solar + Storage in Municipal Facilities (/Energy Assurance)	Participate with East Bay Community Energy (EBCE) in a facility assessment for solar plus battery storage at critical facilities and participate in a procurement process for a third-party Power Purchase Provider.	7/20-6/23	Continuing	Staff time only

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create affordable housing and support services for our most vulnerable community members	City Attorney	Objective Development Standards (/Development/ Density Standards Project)	Establish objective standards for density to bring the zoning ordinance in better alignment with state laws, streamline project review, and provide predictable outcomes.	7/19-6/23	Continuing	\$250,000 (funded)
Create affordable housing and support services for our most vulnerable community members	City Attorney	Southside Zoning Modifications (/Increased Student Housing)	Modify development standards in the Southside to accommodate additional housing units, including a variety of housing types.	1/20-6/23	Continuing	\$192,000 (funded)
Create affordable housing and support services for our most vulnerable community members	City Attorney, HHCS, RSB	Demolition Ordinance (/Demolition Ord and Affordable Housing)	Update the Demolition ordinance and associated fees.	3/20-1/23	Continuing	Staff time only

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	City Attorney	Sign Policy	Evaluate and update processes and policies pertaining to signs.	7/19-6/23	Continuing	Staff time only
Provide an efficient and financially-healthy City government	Public Works, Finance, City Attorney	Transportation Impact Fee Analysis	Analyze the feasibility of and appropriate rate for a Transportation Impact Fee.	7/22-6/24	New	\$100,000 (requesting funding)
Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment	Information Technology	Building Emissions Savings Ordinance Mandatory Requirements	Implement ordinance amendments on building electrification to reduce emissions in addition to improving energy efficiency. Expand the program by proposing mandatory requirements for emissions reductions improvements in existing buildings.	7/15-6/23	Continuing	\$68,000 (funded)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Finance, IT	Land Use Applications Payment Process Improvements	Modernize, streamline and improve land use application payment processes. This project will align the land use portion of the permitting payment process with the building portion by enabling existing software to accept land use application payments online. It will also create a mechanism for collecting housing data.	7/22-6/23	New	\$150,000 (funded)
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	IT	Land Use Applications Submittal Process Improvements	Modernize, streamline and improve land use submittal processes. This project will align the land use portion of the permitting submittal process with the building portion by enabling existing software to accept submittal of land use applications online.	7/22-12/23	New	\$50,000 (funded)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	City Attorney	Land Use procedures and policy interpretations	Compile and organize existing reference materials, and develop new materials, to advance consistency of interpretations by staff and guidelines for customers to use prior to project submittals (description clarified, spring 2022)	7/19-6/23	Continuing	Staff time only
Create a resilient, safe, connected, and prepared city	City Manager's Office, City Attorney	Permit Conditions Enforcement, Phase II	Update procedures and standards for monitoring and enforcing agreed-to conditions on Land Use permits.	7/22-6/23	New	Staff time only
Create affordable housing and housing support services for our most vulnerable community members	Human Resources	Expanded and streamlined rental housing safety program	Expand and streamline the Rental Housing Safety Program to enable proactive inspections and other actions to maintain Berkeley's aging rental housing stock.	7/19-6/23	Continuing	Staff time only (enterprise funded)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected, and prepared City	None	Seismic safety programs, Phase III	Using third FEMA Hazard Mitigation Grant, accepted in spring 2022, provide new phase of design and construction grants to owners of the most seismically vulnerable buildings in Berkeley. Phase I began in 2017, Phase 2 began in 2020.	7/22-6/23	New	\$4.5 million (funded)
Create affordable housing and support services for our most vulnerable community members Create a resilient, safe, connected, and prepared City	None	San Pablo Avenue Specific Plan	Prepare a specific plan. Zoning and General Plan amendments and appropriate CEQA document for the San Pablo Avenue Area.	7/22-4/25	New	\$900,000 (FY 23 funded)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create affordable housing and support services for our most vulnerable community members	City Attorney, HHCS	Ashby & North Berkeley BART Stations Area Planning (/BART Stations Area Plan)	Implementation of Transit-Oriented Development at the Ashby and North Berkeley BART Station areas, including developer selection process, strategy for affordable housing, infrastructure and other desired community benefits.	7/22-6/25	New	\$300,000 (FY 23 funded)
Create a resilient, safe, connected, and prepared City	City Attorney's Office, Berkeley Fire Department, HHCS	Land Use, Safety & Environmental Justice Updates	Element updates required to meet State regulations; in addition, Environmental Justice Element is required to be adopted by close of 24, per SB1000.	7/22-6/25	New	\$600,000 (FY 23 funded))
Provide an efficient and financially-healthy City government	None	Economic Feasibility Analysis	Conduct economic feasibility analysis for Affordable Housing mitigation fee and other value capture programs.	6/23-6/25	New	\$150,000 ((FY 23 funded)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	None	Objective Development Standards / ZORP Phase II Revisions	Objective Standards to streamline/standardize development review and refinements to zoning code for clarity and consistency of allowed uses and permit processes across all districts.	6/23-6/25	New	\$350,000 (FY 23 funded)
Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment	Information Technology, Public Works	Residential EV Charging Pilot Program, Next Generation	Develop equitable solutions for residential charging access such as the development of DC Fast Charging hubs.	6/17-6/24	New	Staff time only (Note a corresponding budget referral adopted by Council on 2/8/22.)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment	Information Technology and Public Works	Municipal Building Energy Policy (/New Municipal Building Energy Policy)	Update Municipal Building Energy/Green Building Policy and energy and water use data management system to assure efficient use of resources and reductions in greenhouse gas emissions and utility costs.	7/19-6/24	Continuing	\$50,000 (FY 23 funded)
Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment		Climate Equity Fund	Implement Climate Equity Fund Pilot Programs in building and mobility electrification and equitable community engagement with low-income communities.	7/22-6/24	New	\$600,000 (funded)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment		Climate Adaptation Planning (/Climate Adaption Work)	Participate in regional coordination and grant-funded study of geographic impacts of ground water and sea level rise.	7/19 - 6/23	Continuing	Staff time only
Create affordable housing and support services for our most vulnerable community members	City Attorney, HHCS	23-2031 Housing Element Update	Update the Housing Element of the General Plan, with corresponding updates to the Zoning Ordinance, to accommodate Regional Housing Needs Allocation and increase access to housing.	5/21-5/23	Continuing	\$540,000 (funded)

PERFORMANCE MEASURES SUMMARY

The below table summarizes the Planning and Development Department’s performance measures. More detailed information is available in the Performance Measures appendix to this document.

Measure	Description	Target	Actual	Tracking
Percent customer satisfaction	<ul style="list-style-type: none"> Percent of respondents who visited the City website prior to visiting the Permit Service Center (PSC) Percent who felt the website adequately prepared them for visit Percent who felt they received professional and courteous service 	↑	<ul style="list-style-type: none"> 83% visit website 64% felt adequately prepared 83% received courteous service 	●
Turnaround time: Land Use Permits	Administrative Use Permits (AUPs), complex, medium, or simple: <ul style="list-style-type: none"> Total time to get from application to completion to staff approval; and Percent that get from completion to staff approval in under two months 	↓	<ul style="list-style-type: none"> Complex AUPs: 1.87 months 63% in less than 2 months Medium-complexity AUPs: 2 months 50% in less than 2 months Simple AUPs: 1.61 months 66% in less than 2 months 	●
Turnaround time: Building Permit Plan Check Process	For building permit plan checks, the total amount of time for staff to process, on average, regardless of complexity or need for multiple resubmittals	↓	<ul style="list-style-type: none"> 22.76 days 	●

● Meeting/exceeding target

● Near target

● Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

CHALLENGES

The Planning and Development Department faces the following challenges:

- **Ongoing Pandemic Impacts:** The COVID-19 pandemic has continued to have a range of impacts on Department staff and operations. At the onset of the pandemic, the Department's core functions and services were shifted to function online and remotely. The Permit Service Center successfully restored in-person services in June 2021; however, the Department's online services still remain in high demand. The maintenance of parallel systems of service has resulted in a net increase in workload, at least in the near term. The Department will continue to evolve systems and deploy staff as efficiently as possible to meet the needs of clients.
- **Staffing:** The Department's overall vacancy rate increased by roughly half over the past year, from 13% to 19%. Staff turnover has been significant, particularly in the Land Use Planning Division, with consequences including increased workload for remaining staff, increased time spent on recruitment and training rather than core functions and special projects, decreased institutional knowledge (and related impacts on efficiency), and low morale.
- **Ineffective Permitting Software.** Existing permitting software is not effectively meeting department needs and is creating significant customer service and efficiency challenges, including turnaround times for permit applications.
- **Ongoing Resource Need to Support Climate Action Goals:** There is an ongoing need for additional resources to support the City's climate action goals, including electric vehicle infrastructure development for the City fleet and the community, planning for climate change adaptation, funding to accelerate energy efficiency and electrification in homes for low- and moderate-income community members, and a utility usage management system to track municipal energy and water use.
- **Addressing Increase in Public Records Act (PRA) Requests:** PRA requests are increasing in volume and requiring greater commitment of staff resources to address.
- **Staff Resources for Software Replacement/Upgrade Projects:** The Department is partnering with IT to advance projects during the upcoming budget cycle to replace or upgrade multiple software systems that are not currently meeting the needs of the Department and its clients. These projects will require the dedication of significant staff resources from the Department, consultant partners, and IT staff.

ACCOMPLISHMENTS

Following are some of the highlights from the Planning and Development Department's numerous accomplishments during the past year:

- **Mitigated seismic risks and improved housing safety.** The Retrofit Grants program disbursed five grants for a total of \$191,888 to Berkeley property owners in the 2nd half of FY 21. The City also continued enforcement of the soft story ordinance: in FY 22 (July-December), eight buildings completed retrofits and were removed from the inventory of potentially hazardous buildings, and three additional properties were added to the inventory. The Rental Housing Safety Program expanded the Housing Inspector series to include three additional classifications and drafted a comprehensive Housing Inspector Training Manual. The team began the second cycle of enforcement for the Exterior Elevated Elements Inspection Program.
- **Advanced Solar + Storage at municipal facilities.** Completed site assessments at eight critical municipal facilities to determine suitability for solar energy generation plus energy storage. Selected sites will be capable of maintaining critical energy loads when grid power is unavailable. The systems will be financed through a Power Purchase Agreement (PPA) managed by East Bay Community Energy (EBCE).
- **Completed the Building Electrification Strategy.** In November 2021 City Council adopted a groundbreaking plan to transition existing buildings in Berkeley from gas appliances to all-electric clean energy alternatives in a way that benefits all residents, especially members of historically marginalized communities.
- **Launched the Climate Equity Fund Pilot Program.** Projects that provide climate and resilience benefits to low-income residents in Berkeley were selected in early 2022. Programs will support building and transportation electrification, providing community access to resilience measures, and electrification engagement with historically marginalized communities.
- **Maintained Essential Services.** Staff continued to process permit applications, land use entitlements, plan check services, inspections, and other essential services throughout the pandemic, even as application volume remained high. In-person services at the Permit Service Center were restored in June 2021. Staff in the Toxics Management Division were able to resume and conduct in-person inspections at pre-pandemic levels.
- **Secured grant funding.** OESD was awarded \$50,000 from East Bay Community Energy for kitchen electrification at North and South Berkeley Senior Centers.
- **Adoption of Citywide Residential Off-street Parking Reform.** In January 2021, the Land Use Planning Division (LUP) advanced new parking policy to City Council for adoption, including establishing parking maximums, eliminating parking minimums, and establishing new transportation demand management requirements.

- **Adoption of the new Baseline Zoning Ordinance.** In October 2021, LUP completed Phase I of the Zoning Ordinance Revision Project (ZORP) which was initiated to improve customer service by rewriting, reformatting, and re-organizing Title 23 of the Berkeley Municipal Code.
- **Successful Grant Awards.** Two competitive grants were awarded through the Association of Bay Area Governments (ABAG): the Regional Early Action Planning Grant (\$75,000) to identify opportunities for missing middle housing in the 6th Cycle Housing Element Update and a Priority Development Area (PDA) Planning Grant (\$750,000) to initiate the San Pablo Avenue Specific Area Plan.
- **Affordable Housing Preliminary Funding.** Staff secured provisional reservation of \$53 million in City affordable housing funds towards the Ashby and North Berkeley BART stations as prescribed in City-BART Memorandum of Understanding.
- **Affordable Housing Efforts.** Staff worked with Health, Housing and Community Services, and the City Attorney's Office to develop a consolidated framework for citywide affordable housing requirements that respond to Council referrals and recent changes in State Law. Proposals were presented to the Planning Commission and at a Council Work session in May 2021. A draft ordinance and resolution are anticipated to go to the Planning Commission and Housing Advisory Commission in March and City Council in spring 2022.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 baseline budget increases by \$3,769,306, or 15%, over the FY 22 Adopted Budget of \$25,252,729. This is primarily due to an increase of \$1,337,229 in salaries and benefit costs, an increase of \$381,884 in indirect cost charges due to a rate adjustment, and \$1,855,129 in approved departmental budget requests and council budget referrals.

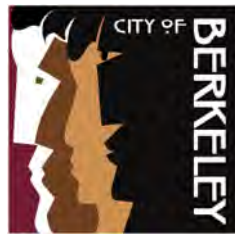
The FY 23 and FY 24 Adopted Budget includes the following approved funding request:

- Operations:
 - Objective Development Standards / ZORP Phase II Revisions: \$350,000 (FY 23)
 - Ashby & North Berkeley BART Stations Area Planning: \$300,000 (FY 23)
 - Affordable Housing & Other Value Capture Programs (Economic) Feasibility Analysis: \$150,000 (FY 23)
 - Transportation Impact Fee Analysis: \$100,000 (FY 23)
 - EBCE Solar+Storage at Fire Station #3 and Live Oak: \$100,000 (FY 23)
 - CEQA Review for Rezoning Referrals: \$100,000 (FY 23)
 - Land Use, Disaster Preparedness & Safety, and Environmental Justice Updates: \$300,000 (FY 23).

- The total budget for this project is estimated at \$600,000, with \$300,000 funded by the Permit Service Center/Community Planning Fee and \$300,000 from the General Fund.
- Municipal Building Energy Policy: \$30,000 (FY 23). The total budget for this project is \$50,000; of that, \$20,000 is funded by a grant from East Bay Energy Watch and \$30,000 from the General Fund.
 - San Pablo Avenue Specific Plan: \$150,000 (FY 23). The total budget for this project is \$900,000; of that, \$750,000 is funded by a grant from the Metropolitan Transportation Commission/Association of Bay Area Governments (MTC/ABAG) and \$150,000 from the General Fund.
 - Principal Planner: \$241,870 in both FY 23 & FY 24. \$60,251 or 25% General Fund and 75%, \$181,519, Permit Service Center Fund.
 - Associate Planner: \$184,844 in both FY 23 & FY 24. \$138,633 or 75% General Fund and 25%, \$46,211, Permit Service Center Fund.
 - Accounting Office Specialist (AOS) Supervisor: \$152,290 in both FY 23 & FY 24. \$76,145, or 50% General Fund and \$76,145, 50% Permit Service Center Fund.

The following positions are funded solely by enterprise funds (i.e., Permit Service Fund, Rental Housing Safety Program Fund):

- Associate Planner, Current Projects: Temporary, 3-year term. This position would process permit applications for moderate and large development projects, which have increased in volume during the current budget cycle, and support the Landmarks Preservation Commission and the Design Review Committee.
- Planning Technician, Temporary, 3-year term. This position would provide support services including maintaining website content, data mapping and analysis, internal systems quality control, and software updates. At present this specific role is unfilled and is required to maintain the customer service and data management functions of the Land Use Planning division.
- Community Services Specialist I. This existing position in the Office of Energy and Sustainable Development was funded at 75%, now increased to 100% time permanent, using Permit Service Center funds.
- Housing Inspector positions (2) and an AOSII to facilitate the expansion of the Rental Housing Safety Program per Council referrals.



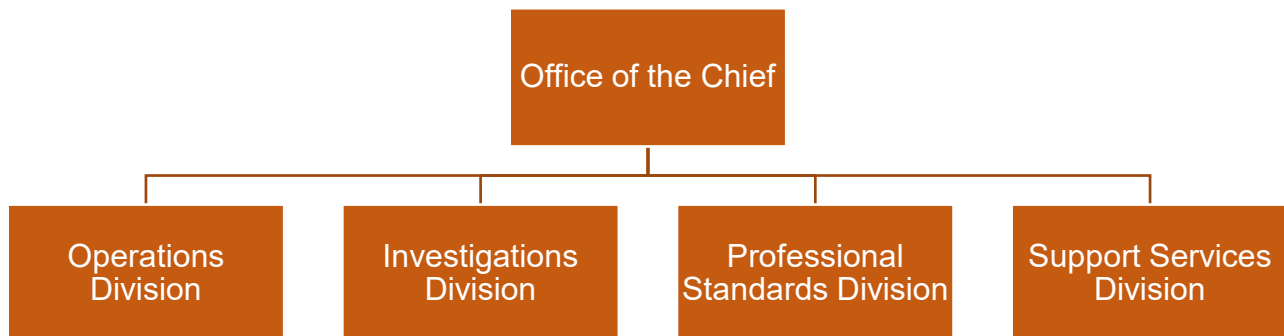
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POLICE

MISSION STATEMENT

Our mission is to safeguard our diverse community through proactive law enforcement and problem solving, treating all people with dignity and respect.

ORGANIZATIONAL CHART



POLICE DEPARTMENT OVERVIEW

The Police Department maintains law and order in the City, including laws of the United States, the state of California, and all City ordinances. There are limited exceptions when such enforcement is by law, ordinance, or the City Charter made the responsibility of another officer, department, or the responsibility of a state or federal agency. Additionally, the Police Department administers the City jail and the care, custody, and control of prisoners. The work of this department at times includes the performance of such other functions as may be assigned by the City Manager or prescribed by ordinance of the Council or by applicable state law.

The Police Department is organized into five divisions to deliver the following baseline services:

- **Office of the Chief:** The Office of the Chief provides overall leadership and administrative oversight for the Police Department. The Office includes the Chief of Police, the Internal Affairs Bureau, and the Fiscal Services Unit.
- **Operations Division:** The Division supports the department's mission by responding to calls for service, conducting initial criminal investigations, making arrests, issuing citations, and providing crime prevention services and proactive problem-solving efforts, all focused on safeguarding the community.

The Operations Division includes Patrol Teams, Bicycle Officers, Community Services Bureau (i.e., the Area Coordinators, Public Information Officer, Police Reserve Program, Special Events Coordinator, and Crisis Intervention Training Coordinator), the Special Response Team, and the Explosive Ordinance Disposal Team. Bicycle Officers supplement the beat officers in some of the city's most heavily populated areas, including downtown and south campus business districts, but also provide data-driven focused enforcement throughout the city.

- **Investigations Division:** The Division supports the Department's mission through the work of several Bureaus and Units. The Detective Bureau conducts follow-up investigations on felony crimes, including homicides, felony assaults, robberies, sexual assaults, domestic violence assaults, sexual assaults on children and minors, residential and commercial burglaries, identity theft, fraud, forgery, and elder abuse, among other offenses. The Traffic and Parking Enforcement Bureau consists of two Units: The Traffic Unit's Motorcycle Officers focus on community safety through enforcement of traffic laws, investigation of serious injury traffic collisions including fatalities, driving under the influence (DUI) enforcement, and coordinating grant-funded focused enforcement efforts. The Parking Unit's Parking Enforcement Officers (PEO) enforce applicable state and local codes which regulate parking in the City of Berkeley, and further provide traffic control and support as needed for other Department Divisions (e.g., through working on planned Special Events, or in assisting with major incident scene management). The Crime Analysis Unit provides Department personnel with relevant data and analysis skills to inform enforcement and problem-solving efforts. The Crime Scene Unit is responsible for properly identifying, seizing, and documenting forensic crime scene evidence.
- **Professional Standards Division:** The Division supports the Department's mission through the administration of its hiring and training efforts, policy review and maintenance, and systems review, auditing, and project coordination. The Division includes the Personnel and Training Bureau, Policy Sergeant, and Audit Sergeant, as well as professional administrative staff. The Professional Standards Division, through Personnel and Training, facilitates and coordinates all training needs for sworn and non-sworn staff. This includes training that is mandated by law as well as training required for employee development.
- **Support Services Division:** The Division supports the Department's mission through a variety of essential operational and administrative activities. The Support Services Division comprises the Public Safety Communications Center (which receives and dispatches calls for Police, Fire, and Medical services), the Berkeley City Jail, Records, and Front Counter Units, the Property and Evidence Unit, Public Safety Technology System Unit, Warrant Unit and Court Liaison Officer. The Division provides fundamental structural support across all Department Divisions.

POLICE DEPARTMENT FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	71,461,933	71,508,798	69,511,973	73,681,455	75,214,204	76,697,923
Services and Materials	3,181,080	2,807,889	2,945,661	3,259,445	2,991,271	2,991,271
Capital Outlay	111,713	70,374	444,817	319,281	895,361	895,361
Internal Services	5,007,986	5,008,571	4,904,992	5,443,859	4,896,342	4,896,342
Indirect Cost Transfer	-	-	-	-	-	-
Adopted Tier 1 Funding *	-	-	-	-	3,447,542	3,177,542
	79,762,713	79,395,632	77,807,443	82,704,040	87,444,720	88,658,439
By Division:						
Office of the Police Chief	3,977,025	4,091,603	2,672,028	4,423,284	1,849,234	1,824,842
Professional Standards	4,242,994	3,533,953	3,566,942	3,911,614	3,937,958	4,001,502
Support Services	14,949,574	15,689,620	15,470,096	15,551,137	16,228,992	16,463,531
Police Operations	41,810,086	40,517,577	38,651,691	41,682,672	44,599,475	45,404,801
Police Investigations	14,783,035	15,562,879	17,446,686	17,135,333	17,381,519	17,786,221
Adopted Tier 1 Funding *	-	-	-	-	3,447,542	3,177,542
	79,762,713	79,395,632	77,807,443	82,704,040	87,444,720	88,658,439
By Fund:						
General Fund	75,754,210	77,270,053	73,228,172	77,923,005	82,717,136	83,845,693
Asset Forfeiture	69,751	23,650	201,000	52,176	201,000	201,000
Federal Grants	170,214	148,504	182,000	108,162	192,710	192,710
State/County Grants	702,352	1,945,073	738,221	995,967	752,505	763,318
Parking Funds	3,066,185	-	3,458,050	3,517,439	3,581,369	3,655,717
Other Funds	-	8,352	-	107,292	-	-
	79,762,713	79,395,632	77,807,443	82,704,040	87,444,720	88,658,439

* includes department requests and Council approved budget referrals.

Department budget revised to \$82,878,987 in FY 2022 amendments to the annual appropriations ordinance (AAO#1 and AAO#2)

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
DIVISION/ACTIVITY SUMMARY						
Office of the Police Chief						
Admin & Fiscal Services	3,104,765	3,265,141	1,811,562	3,531,475	696,542	650,763
Internal Affairs	872,260	826,462	860,466	891,809	1,152,692	1,174,079
Division Total	3,977,025	4,091,603	2,672,028	4,423,284	1,849,234	1,824,842
Professional Standards						
Policy and Audits	827,189	849,036	844,867	911,594	1,156,081	1,175,764
Personnel and Training	3,415,805	2,684,917	2,722,075	3,000,020	2,781,877	2,825,738
Division Total	4,242,994	3,533,953	3,566,942	3,911,614	3,937,958	4,001,502
Support Services						
Admin Communications Center	5,830,279	6,224,829	5,875,783	5,779,506	6,210,864	6,237,783
Jail	6,132,583	6,426,964	6,243,982	6,657,874	6,532,460	6,671,553
	2,986,712	3,037,828	3,350,331	3,113,757	3,485,668	3,554,194
Division Total	14,949,574	15,689,620	15,470,096	15,551,137	16,228,992	16,463,531
Police Operations						
Patrol	41,757,984	40,481,945	38,427,710	41,658,918	44,542,261	45,347,587
Community Services	52,102	35,633	223,981	23,754	57,214	57,214
Division Total	41,810,086	40,517,577	38,651,691	41,682,672	44,599,475	45,404,801
Police Investigations						
Detectives - SEU/CSU	8,776,998	9,481,558	10,019,960	9,991,288	9,416,937	9,654,118
Traffic and Parking	6,006,037	6,081,321	7,426,726	7,144,044	7,964,583	8,132,103
Division Total	14,783,035	15,562,879	17,446,686	17,135,333	17,381,519	17,786,221
Adopted Tier 1 Funding *	-	-	-	-	3,447,542	3,177,542
Division Total	-	-	-	-	3,447,542	3,177,542
Department Total	79,762,713	79,395,632	77,807,443	82,704,040	87,444,720	88,658,439

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected, and prepared city	City Attorney, City Manager's Office, Information Technology, Fire	Community Safety During Demonstrations	Increase Police Department capacity, resources, tools and training, including training a bike-officer response unit, to effectively protect and facilitate free speech and maintain community safety when demonstrations and protests occur.	6/15-6/24	Continuing	Reflected in Reimagining Public Safety Proposals: (10) Police Officers, approximately \$2,900,000 (requesting funding)
Create a resilient, safe, connected, and prepared city	City Attorney, City Manager's Office, Information Technology	Comprehensive Police Department Policy Review	Fully implement and update Department policies to Lexipol format, ensuring full compliance with current law, case law, and incorporate best practices.	1/16-6/24	Continuing	Staff time
Attract and retain a talented and diverse City government workforce		Develop resources and programs for employee resiliency	Expand Police employee wellness and resiliency programs, including mental health, fitness, and nutrition resources.	7/19-6/24	Continuing	\$50,000 (funded in both FY 23 and FY 24)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Attract and retain a talented and diverse City government workforce	City Manager, Human Resources	Retaining and Recruiting Personnel	In order to continue to provide excellent service to the community, this project employs a focus on maintaining a relationship with a recruiting firm and partnering with Human Resources to expedite processing, to achieve a "break even" status vis-a-vis attrition.	7/19-6/24	Continuing	Varies based on the quantity and classifications needed
Champion and demonstrate social and racial equity	City Manager	Officer Development Training Programs	Ongoing update and new trainings to be developed /completed in the areas of Fair and Impartial Policing, Procedural Justice, Implicit Bias, and Hate Crimes.	7/21-6/24	Continuing	\$100,000 (funded in both FY 23 & FY 24)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Create a resilient, safe, connected, and prepared city	Fire Department, Public Works	Portable Radio Replacement	Current portable radios are no longer supported by manufacturer, and do not have the current mandated encryption levels. The entire fleet of portables will need to be replaced.	7/21-6/24	Continuing	\$487,504 ²³ (funded)

²³ The cost each year is approximately \$487,504 over a seven-year lease.

PERFORMANCE MEASURES SUMMARY

The below table summarizes the Police Department's performance measures. More detailed information is available in the Performance Measures appendix to this document.

Measure	Description	Target	Actual	Tracking
Safer streets through reduction in deaths and accidents relating to vehicles/ bicycles	<ul style="list-style-type: none"> Number of deaths relating to vehicles/bicycles Number of accidents relating to vehicles/ bicycles 	↓	<ul style="list-style-type: none"> 8 deaths (8 vehicle, 0 bicycle) 722 accidents (625 vehicle, 97 bicycle) 	●
Demographics reflective of the overall community	Department demographic information compared to community information	Parity	The department is within 10% of parity for race, but not for gender: <ul style="list-style-type: none"> 84.0% male, 16.0% female 14.1% Black, 10.7% Hispanic, 60.4% White 	●
Incidents of use of force	Number of uses of force; in comparison to calls for service, and, in comparison to arrests	↓	The reporting standard for Use of Force has substantively changed. Data for both the old and new standard is available in the Performance Measures appendix to this document, under the Equity goal.	
External personnel complaints	Number of external personnel complaints made against the Department, compared to number of Calls for Service	↓	<ul style="list-style-type: none"> 23 complaints; 60,393 calls for service 	●
Commendations	Number of commendations the Department receives	↑	<ul style="list-style-type: none"> 137 commendations 	●

● Meeting/exceeding target

● Near target

● Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

CHALLENGES

The Police Department's challenges include:

- **Staffing and Recruitment:** Staffing and recruitment continues to be a challenge. There is a tight labor market for police recruits. Additionally, the City of Berkeley has high eligibility requirements and both the background process and academy training take considerable time. The length of time from recruitment to someone working as a solo officer can translate to vacancies remaining open for over six months. Finding and hiring suitable qualified candidates in the highly competitive hiring atmosphere has presented a challenge for the Department.
- **Officer Development Training Programs:** The nature of policing is rapidly transforming. To ensure Berkeley stays in step with the community, the Department must continue to analyze data to understand the nature and extent of disparities, in order to ensure existing training is adequate and develop or complete new trainings in the areas of Fair and Impartial Policing, Procedural Justice, Implicit Bias, and Hate Crimes. Finding or developing expanded training can create a challenge, as does having limited staff to backfill absences so that officers can attend trainings. This important work requires \$100,000 in funding to support the training costs for both course instruction and staff attendance.
- **Portable Radio Replacement:** The Department's new portable radios require setting up the new system and installing the hardware in each vehicle, handhelds, dispatch consoles, and the network for implementing over-the-air upgrades.

ACCOMPLISHMENTS

Highlights of recent Police Department accomplishments include:

- **Transparency Hub:** In May 2022, the Department will launch a new Transparency Hub, created to share information with the Berkeley community. Over the past several years the Department has placed an increased emphasis on expanding its data and analysis capacity, recognizing that data transparency is a foundational piece to a police department's trust and legitimacy. The Department's newly formed Data and Policy Analysis Team worked to create this Transparency Hub, with the goal of building/increasing community engagement, trust, and legitimacy. In its current design, the Transparency Hub will include data on Calls for Service, Use of Force, as well as the information collected as part of the California Racial and Identity Profiling Act (RIPA). Listening and collaborating with community partners, the Department will continue to expand this hub.

- **Inaugural Reporting – Police Equipment and Community Safety Ordinance:**
The Department will bring this item to Council in May 2022 pursuant to City Ordinance 2.100 and AB 481. The first year of reporting includes Impact Statements and Use Policies for all specified equipment. Also, in the first year and annually thereafter, the Department will produce an Annual Use Report. Any acquisitions of new specified equipment would proceed through requirements of ordinance and state law. These materials are posted on the Departmental website.
- **Efforts towards Council Referral on improving hate crimes reporting and response:** The Department prioritized work towards this Council referral, launching a public information campaign, working to conduct proactive outreach with community groups, the Police Accountability Board, Berkeley Unified School District and other City partners focused on this work, and improving communication and reporting through the Chain of Command related to hate crimes and incidents. The Department will continue to work on the other tasks related to this referral and are committed to supporting victims of these senseless acts.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 Adopted Budget increases by \$9,637,277 or 12.39% over the FY 22 Adopted Budget of \$77,807,443. This is primarily due to an increase of \$5,702,231 in salaries and benefit costs. The FY 23 and FY 24 Adopted Budget includes \$3.4 million in adopted Tier 1 funding requests for the following items:

- **Reimagining Public Safety Initiative elements including:**
 - Public Safety Dispatcher II (8 FTE): \$1,382,432 in both FY 23 & FY 24
 - Public Safety Dispatch Supervisor: \$187,986 in both FY 23 & FY 24
 - Community Services Officer (6 FTE): \$841,050 in both FY 23 & FY 24
 - Community Service Officer Supervisor: \$157,084 in both FY 23 & FY 24
 - Staffing Assessment: \$70,000 (FY 23)
 - Additional Training Funding: \$100,000 in both FY 23 & FY 24
 - Additional Wellness Funding: \$50,000 in both FY 23 & FY 24
 - Dispatch Center Analysis: \$200,000 – FY 23
- **Operations/Capital:**
 - Assistant Management Analyst (2 FTE): \$330,594 in both FY 23 & FY 24
 - Jail Control Panel Replacement: \$500,000 (FY 23)
- **Council Budget Referrals:**
 - Parking Enforcement Officer (2-year pilot basis) for Fire Zones 2 & 3: \$128,396 in both FY 23 & FY 24

OFFICE OF THE DIRECTOR OF POLICE ACCOUNTABILITY

MISSION STATEMENT

To promote public trust through independent, objective civilian oversight of the Police Department by conducting prompt, fair, and impartial investigation of complaints against sworn employees of the Police Department, and by assisting the Police Accountability Board in its role to advise the public, City Council, and City Manager on policies and procedures of the Police Department with community participation.

ORGANIZATIONAL CHART



OFFICE OF THE DIRECTOR OF POLICE ACCOUNTABILITY OVERVIEW

The Office of the Director of Police Accountability (ODPA) accepts complaints of alleged misconduct by Berkeley police officers and helps members of the public understand the steps in the complaint process. ODPA conducts investigations and makes recommended investigative findings and disciplinary recommendations to the Police Accountability Board. The Board may hold a hearing at which the complainant and subject officer testify, before sending its findings and recommendations to the Chief of Police. Complainants may opt for mediation as an alternative to an investigation.

Members of the public who file a complaint with the Police Department's Internal Affairs Bureau (IAB) only, and receive a disposition letter following IAB's investigation without any sustained findings, may appeal the decision to the Director of Police Accountability. The Director may then initiate a review of IAB's record.

This Department also supports the policy work of the Police Accountability Board, whose members are appointed by the Mayor and Council and serve as the voice of the community in police-related matters. Policy reviews may be mandated by statute; self-initiated; or requested by the City Council, a member of the public, the Police Department, or ODPa staff. Review of the Police Department's policies, practices, and procedures ensures that they are up-to-date, incorporate best practices, and reflect the values of the community.

The Director of Police Accountability serves as the Board's secretary, preparing and publishing meeting agendas, packets, and minutes for the full Board and for policy subcommittees, so the public is aware of the Board's deliberations and decisions.

OFFICE OF THE DIRECTOR OF POLICE ACCOUNTABILITY
 FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	589,642	590,732	910,496	655,956	895,525	907,004
Services and Materials	22,468	15,973	124,016	79,529	135,136	126,136
Capital Outlay						
Internal Services	163,592	138,245	79,723	79,773	90,015	90,015
Indirect Cost Transfer	-	-	-	-	-	-
Adopted Tier 1 Funding *	-	-	-	-	301,756	251,756
	775,701	744,950	1,114,235	815,258	1,422,432	1,374,911
By Fund:						
General Fund	775,701	744,950	1,114,235	815,258	1,422,432	1,374,911
	775,701	744,950	1,114,235	815,258	1,422,432	1,374,911

*includes department requests and Council approved budget referrals

CHALLENGES

The Office of the Director of Police Accountability's challenges include:

- **Staffing.** The Office was insufficiently staffed during its first year of operations, as it established a new department and supported the work of a new legislative body, the Police Accountability Board. Former Police Review Commission (PRC) staff became interim ODPa staff, and the former PRC Officer was appointed the Interim Director of Police Accountability, an added position. The PRC Officer position remained vacant, ideally to be redefined and filled by the permanent Director. Additionally, the long-time investigator retired, and a temporary investigator is in place.

Based on observed needs this year, the department plans to reallocate the vacant PRC Officer position to an Associate Management Analyst position. A second Investigator position is being proposed, and a second Associate Management Analyst position, to focus on data analysis, is also proposed.

- **Board responsibilities.** The Board was required to receive 40 hours of training on such topics as constitutional rights and liberties and Police Department operations, and policies, within 6 months of appointment. This was difficult to achieve by the end of 2021, due to other demands on the Board's time, which included hearings on complaint investigations and policy work stemming from Council referrals, ordinance mandates, and public request.
- **Interpreting Charter mandates.** Two significant parts of the Charter amendment have taken time and much reliance on the City Attorney's Office to interpret. One concerns the process for presenting findings and recommendations to the Board after staff's investigation is completed. A second new territory being explored is the ODPa and Board's access to Police Department records, necessitating new parameters and procedures for releasing records.
- **Board relationship with police association.** Successful civilian oversight of law enforcement is dependent upon the good faith collaboration of all stakeholders, and on the perceived legitimacy of stakeholders by others. More work is necessary to develop the needed trust between the parties for fruitful collaboration to occur.
- **Permanent regulations to be adopted.** The Board may approve permanent regulations for handling complaints against police officers this fiscal year, but some provisions will likely be subject to meet-and-confer with the police union. The regulations must then be approved by the City Council.

ACCOMPLISHMENTS

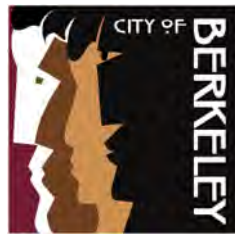
Highlights of recent Office of the Director of Police Accountability accomplishments include:

- The Office of the Director of Police Accountability began operating, with Police Review Commission staff winding down the work of the PRC and transitioning to ODPa staff.
- The Police Accountability Board began meeting, electing a chair and vice-chair, setting a meeting schedule, adopting standing rules, and establishing subcommittees.
- Training of Board members as required by the Charter began.
- Interim regulations for handling complaints were developed by the Director and the Board, and approved by the City Council. The Board also adopted Standing Rules for its internal procedures, which the City Council ratified.
- The ODPa began accepting and investigating complaints against sworn officers, and presenting findings and recommendations to the Board; the Board began its considerations of those findings and recommendations, holding hearings when warranted, all according to the new procedures established by the Charter. The Director worked closely with the Police Department to establish the new procedures, which require more coordination than under the former PRC process.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 Adopted Budget increases by \$308,197 or 27.66% over the FY 22 Adopted Budget of \$1,114,235. This is primarily due to an increase of \$176,785 in salaries and benefit costs. The FY 23 and FY 24 Adopted Budget includes the following approved funding request:

- **Operations:**
 - Associate Management Analyst: \$191,756 in both FY 23 & FY 24
 - Professional Services - Strategic Plan: \$50,000 (FY 23)
 - Computer set-up and furniture for new staff: \$9,000 (FY 23) and office space and desk phone for new staff: \$10,652 in both FY 23 & FY 24
- **Council Budget Referrals:**
 - Charter Officer Performance Review: \$60,000 in both FY 23 & FY 24



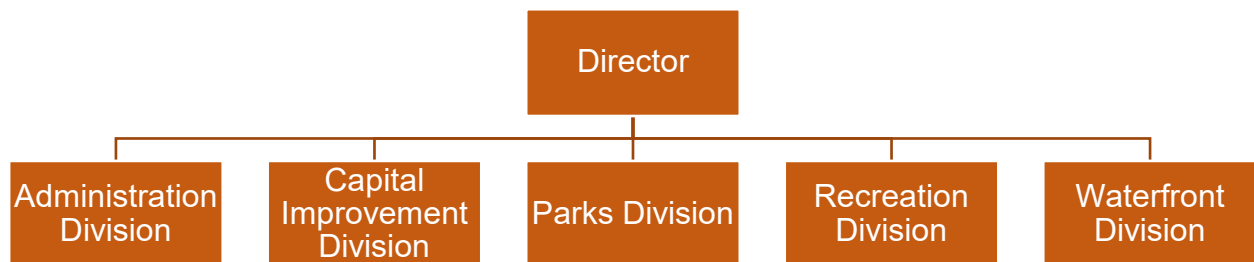
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PARKS, RECREATION AND WATERFRONT

MISSION STATEMENT

The Parks, Recreation and Waterfront Department is committed to administering excellent recreation programs at our community centers, camps, waterfront and parks; maintaining our trees and urban forest, landscaping and infrastructure; and developing capital projects with community input to improve and enhance residents' park and facility experience.

ORGANIZATIONAL CHART



PARKS, RECREATION AND WATERFRONT OVERVIEW

The Parks, Recreation & Waterfront (PRW) Department maintains the City's parks, playgrounds, pools, camps, community centers, and waterfront facilities; provides diverse recreation programs and special events throughout the year; delivers resident camps opportunities for youth, families and seniors; operates the largest public marina on the Bay; and plans, designs, and constructs capital improvements to Berkeley's parks, recreation, and waterfront facilities and infrastructure.

PRW is organized into five division to deliver the following baseline services:

- **Parks:** This Division maintains Berkeley's 52 parks, 63 play areas, 49 sports courts, 15 sports fields, 4 community centers, 2 clubhouses, 36 picnic areas, 35,000 street and park trees, 152 landscaped street medians and triangles, 263 irrigation systems, and 29 restrooms and out buildings. The Parks Division also organizes community volunteer days and participates in special events.
- **Recreation and Youth Services:** This Division provides a variety of programs and classes for all ages ranging from tots and pre-K to teens, youth, and adult sports, summer camps, therapeutic recreation, and adult fitness.

The Division also operates the City's swimming pools, tennis courts, basketball courts, skate park, community centers, and resident camps. The Division hosts multiple large special events for the community throughout the year.

- **Waterfront:** This Division operates the Berkeley Marina and its related facilities, including the docks, pilings, streets, pathways, parking lots, buildings, trails, Adventure Playground, and 1,000 boat and berth rentals. The Division also manages agreements with Waterfront businesses, maintains Waterfront parks and facilities including Cesar Chavez Park, Shorebird Park and Nature Center, and the Adventure Playground, and manages special events.
- **Capital Projects:** This Division plans and manages capital improvement projects at City parks, park buildings, community centers, pools, camps, and the Waterfront. This includes park and facility planning and community engagement, grant acquisition, permitting, environmental review, design, and construction management.
- **Administration:** The Office of the Director provides overall management of the Department; communications with Council, Commissions and the public; financial management, budgeting, payroll, purchasing, contracts and accounting; and grant and lease administration.

PARKS, RECREATION AND WATERFRONT FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	18,266,183	19,085,403	20,752,962	20,313,899	23,583,240	24,066,455
Services and Materials	14,383,661	11,868,375	7,110,548	12,427,276	11,885,710	12,999,913
Capital Outlay	8,573,178	27,400,591	22,354,125	27,827,753	12,195,244	11,245,753
Internal Services	1,993,987	2,065,851	2,343,952	2,635,968	2,343,952	2,343,952
Indirect Cost Transfer	376,437	374,831	417,969	364,439	465,353	443,489
Adopted Tier 1 Funding*	-	-	-	-	2,905,415	2,855,415
	43,593,445	60,795,051	52,979,556	63,569,334	53,378,913	53,954,977
By Division:						
Director	2,663,911	2,925,368	3,777,692	3,273,068	4,063,221	4,176,392
Parks	11,908,352	11,386,587	12,507,027	11,997,815	12,647,701	12,926,264
Recreation	13,100,381	25,077,435	20,924,724	29,558,313	11,150,535	11,464,328
Waterfront	4,901,883	4,442,217	4,942,775	5,064,535	5,982,637	5,823,733
Capital Improvement	11,018,917	16,963,444	10,827,338	13,675,602	16,629,404	16,708,845
Adopted Tier 1 Funding*	-	-	-	-	2,905,415	2,855,415
	43,593,444	60,795,051	52,979,556	63,569,334	53,378,913	53,954,977
By Fund:						
General Fund	6,987,179	7,304,226	7,675,564	8,765,448	9,085,161	9,353,573
Capital Improvement Program (CIP) Fund	1,008,884	1,463,965	550,000	323,425	3,100,000	3,050,000
Federal Grants	33,274	34,826	101,900	58,051	68,451	69,820
State/County Grants	156,943	230,578	-	2,414,703	-	-
Playground Camp Fund	7,225,246	19,137,450	13,850,034	23,087,389	3,596,951	3,669,222
Other	851,956	550,350	396,851	712,828	2,007,512	4,095,106
Parks Tax	14,632,368	16,539,555	14,302,226	15,546,840	16,143,291	16,186,607
Measure WW Park Bond Grant	927,398	551,598	-	1,220	-	-
Measure T1-Infrastructure & Facilities	5,331,241	8,900,249	8,776,816	4,378,663	10,822,044	9,399,268
Zero Waste	163,148	186,628	186,276	167,698	194,999	197,472
Marina	6,275,809	5,895,626	7,139,889	8,113,069	8,360,503	7,933,909
	43,593,445	60,795,051	52,979,556	63,569,334	53,378,913	53,954,977

*includes department requests and Council approved budget referrals

Department budget revised to \$90,376,294 in the FY 2022 amendments to the annual appropriation ordinance (AAO#1 and AAO#2)

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est Actual	FY 2023 Adopted	FY 2024 Adopted
DIVISION/ACTIVITY SUMMARY						
PRW - Director						
Office of the PRW						
Director - Admin	2,663,911	2,925,368	3,777,692	3,273,068	4,063,221	4,176,392
Division Total	2,663,911	2,925,368	3,777,692	3,273,068	4,063,221	4,176,392
PRW - Parks						
Parks - Admin	526,788	519,628	392,905	406,325	502,057	515,175
Parks - Forestry Services	2,917,235	2,624,524	4,239,545	2,905,971	3,039,946	3,117,831
Parks- Landscaping Services	6,361,552	6,434,900	6,105,947	6,914,870	7,198,141	7,335,126
Parks - Building Maintenance	2,102,777	1,807,536	1,768,630	1,770,649	1,907,557	1,958,132
Division Total	11,908,352	11,386,587	12,507,027	11,997,815	12,647,701	12,926,264
PRW - Recreation						
Rec - Admin	1,873,067	2,011,519	2,272,781	1,998,989	2,440,470	2,516,217
Rec- Special Fee Class	324,064	301,824	446,144	444,031	585,681	602,196
Rec- Live Oak Center	273,580	261,411	433,051	349,739	350,196	364,540
Rec- Francis Albrier Center	693,882	664,541	828,053	632,904	987,707	1,012,146
Rec- King Swim Center	401,505	344,928	508,509	476,185	477,613	500,713
Rec- W. Campus Swim Center	300,710	380,653	192,339	508,668	515,629	523,176
Rec - Willard HUB	174,175	244,688	167,199	89,492	106,162	108,378
Rec - Citywide Athletics	701,326	889,723	963,845	598,238	853,974	863,033
Rec - Therapeutic Rec Center	42,135	29,865	67,128	115,815	198,888	209,841
Rec - James Kenney Center	388,009	375,514	444,104	459,928	439,643	468,688
Rec - MLK Community Ctr	669,746	485,085	913,049	744,053	819,365	851,177
Rec - Cazadero Camp	46,747	153,444	259,369	1,467,310	61,405	63,550
Rec - Echo Lake Camp	783,256	421,263	656,042	894,691	818,164	838,260
Rec - Tuolumne Camp	6,182,865	18,436,073	12,447,562	20,530,523	2,084,916	2,121,437
Rec - Day Camp	245,296	76,902	325,549	247,749	410,723	420,976
Waterfront - Recreation	17	-	-	-	-	-
Division Total	13,100,381	25,077,435	20,924,724	29,558,313	11,150,535	11,464,328

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est Actual	FY 2023 Adopted	FY 2024 Adopted
DIVISION/ACTIVITY SUMMARY cont.						
PRW - Waterfront						
Waterfront - Admin	862,387	700,786	852,425	835,645	949,662	843,235
Waterfront - Building Maintenance	659,021	692,330	899,004	730,405	921,799	931,868
Waterfront - Operations	2,234,942	2,138,343	2,138,003	2,372,037	2,706,521	2,652,266
Waterfront - Recreation	315,727	45,519	152,373	225,036	465,587	463,673
Waterfront - Landscaping Services	829,805	865,239	900,970	901,412	939,069	932,691
Division Total	4,901,883	4,442,217	4,942,775	5,064,535	5,982,637	5,823,733
PRW - Capital Improvement						
	11,018,917	16,963,444	10,827,338	13,675,602	16,629,404	16,708,845
Division Total	11,018,917	16,963,444	10,827,338	13,675,602	16,629,404	16,708,845
Adopted Tier 1 Funding *	-	-	-	-	2,905,415	2,855,415
Division Total	-	-	-	-	2,905,415	2,855,415
Department Total	43,593,444	60,795,051	52,979,556	63,569,334	53,378,913	53,954,977

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community	Finance	Develop Online payment for Waterfront Marina Slipholders (Payment System – Waterfront)	Build capacity for boaters to pay online rather than via phone, mail or autopay.	7/21-6/23	Continuing	Staff time/to be determined
Provide an efficient and financially-healthy City government	City Attorney	199 Seafront Lease Completion	Finalize new lease for 199 Seawall at the Berkeley Marina.	7/21-7/23	Continuing	\$700,000 (funded, Measure T1)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		Grove Park Construction: Renovation of 2-5 and 5-12 Play Areas (Grove Park Field Renovation)	Measure T1 project to renovate two play areas at Grove Park (Renovation of existing ballfield backstop, dugout, lights, and irrigation – Construction).	7/21-7/23	Continuing	\$700,000 (funded, Measure T1)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		John Hinkel Park Planning: Hut Conceptual Plan Development	Parks Tax-funded project to do planning and design for Scout Hut at John Hinkel Park.	7/21-6/23	Continuing	\$150,000 (funded, Parks Tax)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		MLK Junior Youth Services Center Planning: Facility Conceptual Plan Development	Measure T1-funded project to seismically retrofit and renovate the MLK YAP community center.	7/21-4/23	Continuing	\$7,000,000 (funded, Measure T1)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Public Works	Ohlone Park Planning and Design: Lighting Improvements	Measure T1-funded to improve park lighting.	7/21-6/24	Continuing	\$700,000 (funded, Measure T1)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		Ohlone Park Planning and Design: New Restroom	Measure T1-funded project to build a new public restroom at Ohlone Park.	7/21-6/23	Continuing	\$500,000 (funded, Measure T1)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		Tom Bates Fields Design: Restroom and Community Space	Measure T1-funded project to build a new restroom and community space at the Tom Bates Sports Complex.	7/21-4/23	Continuing	\$2,900,000 (funded, Measure T1)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Public Works	Waterfront Construction: O and K dock Electrical	Project funded by the Marina Fund and General Fund to replace the electrical infrastructure at O&K docks at the Berkeley Marina.	7/21-10/22	Continuing	\$1,200,000 (funded, \$550,000 General Fund, \$650,000 Marina Fund)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		Waterfront Construction: Piling Replacement	Measure T1-funded project to replace failed or deteriorated pilings at the Berkeley Marina.	7/21-6/23	Continuing	\$1,200,000 (funded, Measure T1)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		Waterfront Design: D and E Dock Replacement	California State Parks Division of Boating and Waterways (DBW) Loan and Measure T1-funded project to replace D&E docks at the Berkeley Marina.	7/21-3/23	Continuing	\$6,000,000 (funded, \$5,500,000 DBW loan, \$500,000 Measure T1)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		Willard Park Design: New Center and Restroom	Measure T1-funded project to replace Willard Park clubhouse and restroom.	7/21-3/23	Continuing	\$7,000,000 (funded, Measure T1)
Champion and demonstrate social and racial equity		Diversity, Equity and Inclusion Departmental Changes	Implementing 15 initiatives across 4 divisions to improve diversity, equity and inclusion in our programs, services, projects, and staffing. One initiative involves increasing the number of families that can access scholarships for camps and recreation programs. Another focuses on increasing the tree canopy in South and West Berkeley.	7/22-12/22	New	\$75,000 (requesting funding; most initiatives funded by grants and reallocation of baseline)
Provide an efficient and financially-healthy City government	City Attorney	Waterside Workshops Lease	Establishing a new lease for park buildings at Aquatic Park for local, nonprofit Waterside Workshops.	7/22-10/22	New	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide an efficient and financially-healthy City government	City Attorney	YMTC Lease	Establishing a new lease for park buildings at Aquatic Park for local nonprofit Youth Music Theater Company (YMTC).	7/22-12/22	New	Staff time
Provide an efficient and financially-healthy City government	City Attorney	Bay Area Hispano Institute for Advancement (BAHIA) Lease	Establishing a new lease for park building at James Kenney for local nonprofit BAHIA.	7/22-4/23	New	\$40,000 (funded)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		James Kenney Skate Spot Conceptual Design	Design of small skate park adjacent to basketball courts at James Kenney.	7/22-4/23	New	\$40,000 (funded)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		Glendale LaLoma 2-5 and 5-12 Play Structures Conceptual Design	Conceptual design for replacement of existing play structures, including public process.	7/22-8/23	New	\$150,000 (funded)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		Cedar Rose 2-5 and 5-12 Play Structures Conceptual Design	Conceptual design for replacement of existing play structures, including public process.	7/22-9/22	New	\$150,000 (funded)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		Waterfront Main Harbor Dredging: Permitting	Bathometric survey and permitting: BCDC, Army Corps of Engineers and all related permits.	7/22-9/22	New	\$300,000 (funded)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		African American Holistic Resource Center Conceptual Design	Measure T1-funded project to complete a public process, initial studies and cost estimate.	7/22-3/23	New	\$350,000 (funded, Measure T1)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Public Works	Aquatic Park Bolivar Improvements (600 Addison) Design Development	Bolivar from Addison to Dreamland street, bike and pedestrian path, landscape.	7/22-3/23	New	Developer funded community benefit agreement

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		Aquatic Park Tide Tube Cleanout Phase 1B (Soil Removal) Construction	Measure T1-funded project to remove dredged soil related to tide tube cleanout (Phase 1A).	7/22-8/22	New	\$500,000 (funded, Measure T1)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		Aquatic Park Boaters and Rowers Access Parking and ADA Construction	Southern Aquatic Park lagoon boat access improvements and ADA parking.	7/22-10/22	New	\$400,000 (funded)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities		Civic Center Upper Plaza/Turtle Garden Design Development	Measure T1- and grant-funded project to replace existing fountain with native pollinator garden.	7/22-10/22	New	\$175,000 (funded, Measure T1)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	City Attorney	Santa Fe Right of Way (SFROW) Conversion to Park Conceptual Design	Grant-funded project to convert 4 undeveloped blocks of SFROW to park land.	7/22-3/23	New	\$500,000 (funded)

PERFORMANCE MEASURES SUMMARY

The below table summarizes the Parks, Recreation and Waterfront Department's performance measures. More detailed information is available in the Performance Measures appendix to this document.

Measure	Description	Target	Actual	Tracking
Number of community contacts	<ul style="list-style-type: none"> Number of community communications, including brochures, press releases and flyers 	↑	<ul style="list-style-type: none"> 54 communications 	●
	<ul style="list-style-type: none"> Number of, and time spent at, community meetings/pop-ups 		<ul style="list-style-type: none"> 35 community meetings/pop-ups, 95 hours 	●
	<ul style="list-style-type: none"> Number of, and time spent at, Commission and Sub-Committee meetings 		<ul style="list-style-type: none"> 32 Commission and Sub-Committee meetings, 75 hours 	●
Tonnage of fire debris removed	Amount of fire fuel debris tonnage removed from the hills	↑	<ul style="list-style-type: none"> 327 tons 	●

● Meeting/exceeding target

● Near target

● Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

CHALLENGES

PRW's current challenges include:

- **Marina Fund:** PRW's challenge will continue to be to improve infrastructure and improve safety and security so that existing revenue sources are stabilized, and so that PRW has the potential to grow new revenue sources. These are central to positioning the Berkeley Marina to compete against neighboring marinas to attract and retain boaters, to attract tenants and their investments, and to attract new special events that are able to pay Waterfront fees. While the planned \$1.15 million in American Rescue Plan Act (ARPA) funds will keep the Marina Fund solvent through FY 23, fund reserves will be exhausted in FY 24. An estimated \$1.36 million in new funding or cost shifts will be required to continue to operate the Waterfront through the next budget cycle.
- **Unfunded Waterfront infrastructure:** Much of the existing Marina infrastructure – docks, pilings, buildings, and parking lots – was originally constructed in the 1960s and 1970s. The majority of Waterfront infrastructure has reached the end of its useful life. The immediate unfunded need is estimated to exceed \$130 million, (see table below).

Needed Improvements	Cost Estimate
Waterfront Pier and Docks	\$90,650,000
Waterfront Pathways, Shoreline and Buildings	\$27,385,000
Waterfront Parking Lots	\$10,102,000
Waterfront Streets	\$2,750,000
Total	\$130,867,000

For many years, capital projects and large maintenance projects were only completed if absolutely necessary or if they were funded by grants. Since the inception of the Marina Fund, funds have not been set aside on an annual basis in a dedicated account for capital projects. Staff estimate that the needed capital set aside should have been between \$1.5M million/year and \$2.5 million/year. The previous annual allocations for capital (\$150,000 to \$250,000) have primarily been used for minor maintenance and have just scratched the surface of what is needed. Despite these fiscal restraints staff have been able to secure funding and complete the following projects during the last 20 years, relying largely on grants and external funding.

- **Camps Fund:** The challenge going forward will be to operate Berkeley Tuolumne Camp (BTC) successfully, to narrow the current \$260,000/year structural deficit. Success will mean attracting the community to Camp, at levels similar to those pre-fire, while continuing to improve our existing Camp programs. Occupancy levels pre-fire at Camp were greater than 90%. However, after a gap of 9 years during which families had to find alternatives to BTC, a physically changed environment at camp with reduction in tree canopy, and the reality of a new generation of families needing to be introduced to camp, the likelihood that BTC will be immediately successful is limited. It may take several years to re-establish a camper community. In the meantime, there will be pressure for the other Camp programs like Echo Lake and Berkeley Day Camp to continue to perform to not lose any ground. The Department will need to closely monitor performance in each program and of the Camps Fund more broadly to ensure that the Fund remains stable until BTC can be fully re-established.

ACCOMPLISHMENTS

Highlights of recent PRW accomplishments include:

- **Completed Capital Projects:** PRW has completed 58 projects since 2016, including 14 in 2021, and has 40 funded projects in design, planning, or construction.

Highlights include:

- **Rebuilding Berkeley Tuolumne Camp:** In August, 2013, the California Rim Fire destroyed Berkeley Tuolumne Camp, which pre-fire included 115 structures, an amphitheater, a nature center, recreation hall and dining hall, and its own water intake, water treatment, and wastewater disposal system. After the fire, only 17 structures remained: a single restroom and 16 family tent cabins. The \$54 million rebuild of Camp, funded more than 95% by insurance, Federal Emergency Management Agency (FEMA) and donations, has included construction of:
 - 62 new tent cabins;
 - 20 staff housing cabins;
 - 4 restroom/laundry buildings;
 - Water intake, pumping, treatment, storage and distribution;
 - Wastewater intake, pumping, treatment and disposal;
 - Dining Hall, including commercial kitchen;
 - Recreation Hall and Maintenance Shop;
 - Pedestrian bridges and accessible pathways; and
 - Numerous recreational and operations facilities, including Nature Center, first aide, sauna, amphitheater, sports court, registration office and store, and seasonal weirs.

- **Marina Streets:** The Marina Streets project is an \$8 million project to reconstruct the infamously bumpy University Avenue west of I-80, to create a new gateway to the City's waterfront. The reconstruction included shifting University Avenue lanes to the north, off of the old Berkeley Pier crossbeams that led to uneven pavement settling. The project also includes the creation of a new roundabout at Marina Boulevard and University Avenue, resurfacing of Marina Boulevard, and reconstruction of Spinnaker Way along Cesar Chavez Park. The project was funded by Measure T1 (\$4.2 million), a one-time capital contribution from the Doubletree Hotel (\$3 million), and Public Works streets funding (\$1 million).
- **King School Park 2-5 and 5-12 Play Structure:** Unforeseen, a giant eucalyptus tree toppled during the night of February 26, 2019, crushing and destroying the King School playground designed for 2-5-year-olds, known as King School Park Tot lot. Following several years of insurance negotiations, coordination with the School District, and design and construction, the new playground is complete. The park improvements include a new 2-5 tot lot, picnic area, and popular new 5-12 DNA play structure element. The park re-opened to the public in the summer of 2021.
- **Pier-Ferry Feasibility Study:** In December 2021, the City completed the conceptual planning process and identified a preferred concept for a potential dual-use recreational pier and Water Emergency Transportation Authority (WETA) ferry terminal at the Berkeley Pier. This process started in 2018, and included a large-scale ferry feasibility study, as well as a year-long public process with multiple focus groups, 3 large community workshops, and 2 Council work sessions. Next steps will be to work with WETA to identify funding sources and to initiate design development and permitting.
- **Set up operations of Berkeley Tuolumne Camp:** To prepare the Camp for re-opening for the first time in 9 years, PRW has worked on multiple fronts to: recruit, hire, and train a new camp manager and new camp staff; furnish all camp supplies from cots to dining tables to utensils; learn, test, use, and train staff on the 89 different systems including water and wastewater systems needed to operate camp; establish fees that cover the costs to operate camp; reduce barriers to participation by expanding scholarships and subsidized programs; develop new programs; and market and outreach, with a focus on attracting a new, more diverse generation of families and making camp more inclusive.

- **Tree Planting in South and West Berkeley:** Parks staff launched Trees Make Life Better, a tree planting campaign to increase the tree canopy in south and west Berkeley. With the help of two grants totaling \$1.25 million, Urban Greening, received in 2020, and Environmental Enhancement and Mitigation Program, received in 2022, the Trees Make Life Better program will attempt to plant 1,800 street and park trees in northwest and southwest Berkeley. This program includes purchase of trees, associated supplies, and concrete cutting and watering if needed.
- **Expanded Access and Reduced Barriers to Scholarships:** On January 18, 2022, Council approved changes to PRW scholarship policies to significantly increase access to scholarships for Recreation programs, camps, and events. The changes expand eligibility for 100% scholarships from “extremely low income” to “very low income” US Department of Housing and Urban Development levels for Berkeley residents, and similarly increasing the threshold for 50% scholarships. City and school district staff collaborated to align scholarship programs, so that going forward, Berkeley families who are qualified for BEARS, the school district’s subsidized after-school program, will automatically qualify for City scholarships.
- **Transition back to pre-COVID program offerings:** For the first time in two years, Recreation programming will return to pre-COVID levels in the spring of 2022, including a full slate of summer camps (resident and day camps), tot and 0-5 programs, aquatic programs, drop-in programs (basketball, volleyball, weight room, badminton), and community center and pool rentals. Additionally, the Parks and Recreation Divisions will offer 36 special events between March and August of 2022.

SIGNIFICANT CHANGES FROM PRIOR YEAR’S BUDGET

The overall FY 23 Adopted Budget increases by \$399,357 or 0.8% over the FY 22 Adopted Budget of \$52,979,556. However, the personnel budget increases by \$2.83 million, or 13.6%, over the FY 22 Adopted personnel budget. This is primarily due to an increase in salaries and benefit costs. The General Fund budget includes \$450,000 for fire fuel mitigation for hazardous vegetation and tree removal and \$2,905,415 in approved departmental budget requests and Council budget referrals as follows:

- **Operations/Capital:**
 - Assistant Recreation Coordinator (0.25 FTE): \$30,055 in both FY 23 & FY 24
 - DEI and Scholarships at Resident Camps: \$75,360 in both FY 23 & FY 24
 - Minor Maintenance: \$100,000 in both FY 23 & FY 24
 - Waterfront Pilings: \$850,000 (FY 23), \$650,000 (FY 24)
 - CIP Fund Contribution Increase: \$1,500,000 (FY 23), \$2,000,000 (FY 24)
- **Council Budget Referral:**
 - South Sailing Basin Dredging: \$350,000 (FY 23)



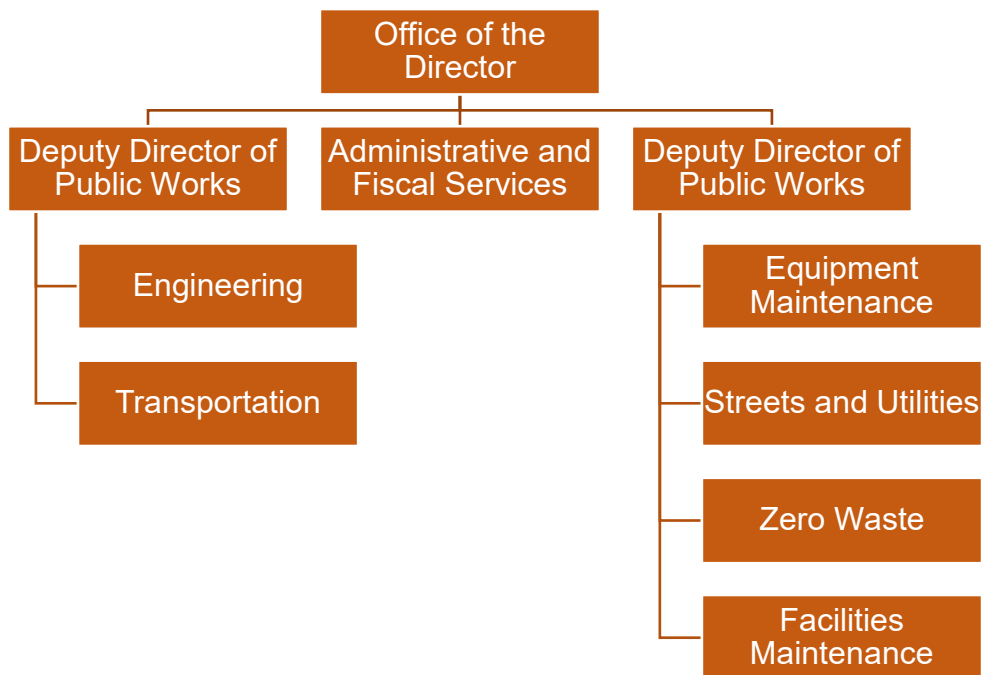
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PUBLIC WORKS

MISSION STATEMENT

The Public Works Department is committed to providing quality services to the Berkeley community with pride, courtesy, and excellence.

ORGANIZATIONAL CHART



PUBLIC WORKS OVERVIEW

The Department of Public Works is organized into eight divisions to deliver the following services:

- **Office of the Director:** The Director's Office provides department-wide leadership, management oversight, and policy direction to Public Works divisions for overall operations and implementation; information technology projects; audits and accreditation management; and employee labor relations, and training and development. Public Works has two Deputy Directors to assist the Director in these efforts. Duties and areas of responsibility are divided into two separate areas: Deputy Director of Operations and Deputy Director of Engineering & Transportation.

- **Administrative and Fiscal Services Division:** The Administrative and Fiscal Services Division is responsible for the Department’s budget and fiscal oversight, regulatory compliance and reporting, and analytical support for routine and special projects in all Public Works operating divisions. Division functions include: budget development; implementation and oversight for the annual operating and capital budgets; fund management; fiscal and administrative policy development and process improvements; contract administration and grants compliance; and purchasing, payroll and accounting services for approximately 328 full time staff.
- **Engineering Division:** The Engineering Division comprises the following programs and responsibilities: Street Pavement Infrastructure Management; Sanitary Sewer Capital and Regulatory Compliance Programs; Storm Water Capital and Regulatory Compliance Programs; Creeks/Watershed Management; Sidewalk Capital Program; Buildings/Facilities Capital Program; Disability Compliance and Program Coordination; Construction Management and Inspection; Land Development and Plan Review; Land Surveying; and Drafting/ GIS services. Engineering is also responsible for coordination of utility service markings, issuance of permits, and coordination and inspection for outside utility agency projects.
- **Zero Waste Division:** The Zero Waste Division (ZWD) is an enterprise funded operation within the Department of Public Works with an operations staff of more than 100 and 50+ fleet of vehicles, and funds another 27.74 FTEs throughout other City departments. The ZWD provides the weekly curbside collection service of refuse and compost for over 23,000 single family and multi-family (up to five units) residential customers and up to seven-day per week curbside collection service of refuse, dual-stream recyclables (fiber and containers collected separately) and compost for over 5,000 multi-family (more than six units) and commercial customers. ZWD also manages third party vendor provided contracts for:
 - Various Services: landfill disposal services; food/green material offsite hauling and composting; and offsite hauling and recycling of construction and demolition, metal, tires, cylinders, and appliances.
 - Recycling Collection: third-party non-profit organizations for: the collection of residential dual-stream recyclables (8,400 tons per year).
 - Recycling Processing: operates Berkeley Recycling for the sorting, processing, and marketing of residential, multi-family, and commercial recyclables (16,000 tons per year and a Recycling Buyback and Drop Off program; and salvaging of reusable materials dropped off at the Transfer Station (1,000 tons annually).
- **Transportation Division:** The Transportation Division provides traffic engineering, transportation planning, bicycle and pedestrian planning, project development, and parking management services that support safe and effective movement of people and goods in and through Berkeley.

The Division also provides transportation review of private development projects and interagency coordination on regional transportation projects. Key Division and Department values include safety, equitable mobility, and environmental and financial sustainability.

- **Facilities Management Division:** The Facilities Management Division includes electrical maintenance and the Radio Shop; building maintenance and janitorial services; and property management support. This Division maintains 900,000 square feet of public service facilities; installs and maintains traffic signals and pedestrian control devices at approximately 140 intersections; maintains approximately 8,000 LED streetlights; and installs and maintains Police and Fire Department vehicle radios, sirens, lighting, and radio system infrastructure, including interface with the regional public safety radio system. The Division also maintains sound systems for Council meetings and special events and radio alarms at sewage lift stations.
- **Streets & Utilities Division:** The Streets and Utilities Division maintains and repairs the City's curbs, sidewalks and pathways, 214 miles of streets, 400 miles of sanitary sewers, and 78 miles of storm water piping, including approximately 5,800 storm structures 30 green infrastructure installations. In partnership with business improvement districts, the Division manages the Clean City Program by providing street and sidewalk sweeping and cleaning services, including unattended property removal/storage and illegal dumping removal. The Streets and Utilities Division also coordinates with Transportation, Engineering and Parking Services staff to maintain traffic signs, pavement markings, and the City's 3,750 metered spaces.
- **Equipment Maintenance Division:** The Equipment Maintenance Division operates facilities at both the Corporation Yard and Transfer Station. Staff in this Division manage the maintenance as well as purchase and replacement of the City's 730 fleet vehicles, heavy duty trucks and large equipment, including public safety, fire, and alternative fuel vehicles and equipment.

PUBLIC WORKS FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	48,014,066	47,899,824	54,750,159	50,848,347	58,862,590	59,540,830
Services and Materials	35,313,048	30,900,914	36,582,860	37,059,778	43,508,940	41,487,051
Capital Outlay	40,917,768	31,668,015	39,499,469	34,715,830	69,778,148	60,202,003
Internal Services	12,494,464	12,282,094	13,379,529	15,099,779	14,159,811	13,517,827
Indirect Cost Transfer	3,282,509	3,156,576	3,226,639	3,033,302	4,363,707	4,434,240
Adopted Tier 1 Funding*	-	-	-	-	12,935,366	11,094,366
	140,021,855	125,907,423	147,438,656	140,757,036	203,608,562	190,276,318
By Division:						
PW - Office of the PW Director	6,783,069	6,467,050	8,036,585	7,951,563	8,414,297	8,592,536
PW - Transportation PW- General Engineering	19,460,565	15,034,042	14,157,293	18,239,266	35,021,305	22,072,684
PW - Facilities Management	43,620,242	31,272,980	42,193,671	31,460,298	58,316,333	59,347,143
PW - Streets and Sanitation	9,317,072	8,395,914	13,543,181	9,460,281	12,801,451	12,936,641
PW - Equipment Maintenance	13,313,631	13,093,294	15,582,230	15,865,207	17,288,835	17,243,617
PW- Zero Waste	10,323,144	13,555,710	13,844,182	17,420,791	14,391,148	14,104,216
Adopted Tier 1 Funding*	37,204,132	38,088,434	40,081,514	40,359,630	44,439,828	44,885,116
	-	-	-	-	12,935,366	11,094,366
	140,021,854	125,907,423	147,438,656	140,757,036	203,608,562	190,276,318
By Fund:						
General Fund	4,729,001	5,499,277	4,742,625	6,859,823	9,019,125	6,504,892
Capital Improvement Program (CIP) Fund	7,662,086	5,055,843	6,689,147	5,558,621	18,205,071	17,606,133
Federal Grants	2,693,406	793,300	125,000	513,937	1,757,529	752,827
State/County Grants	5,449,181	2,021,139	378,244	3,881,418	10,127,522	3,280,910
Gas Taxes	12,395,153	9,842,724	14,735,920	12,287,394	22,307,950	18,152,295
Street Light Assessment	1,633,874	1,359,122	2,279,288	1,345,352	2,918,953	2,906,686
Parks Tax	90,386	35,591	39,996	20,016	39,996	39,996
Zero Waste	42,753,883	42,813,822	46,482,814	46,145,600	54,573,340	57,618,007
Marina	204,744	166,636	168,513	63,008	138,866	152,857
Sanitary Sewer Equipment Replacement	23,673,264	17,010,658	29,654,740	23,512,605	34,584,521	32,114,063
	3,174,339	7,755,546	5,738,197	10,508,735	6,500,018	6,292,519

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES Continued						
Equipment						
Maintenance	8,448,185	7,130,354	9,812,320	8,365,091	9,573,258	9,527,237
Building Maintenance	3,425,214	3,363,019	4,463,546	3,566,426	4,798,305	4,815,297
Building Purchase & Management	1,267,177	1,157,868	1,798,252	1,337,176	2,196,545	2,253,520
Bonds-Measure G//Q/R/GG/M/2T1	9,293,606	10,859,691	4,370,038	3,316,548	7,366,271	9,458,435
Clean Storm Water	1,403,147	2,366,107	4,698,529	2,311,081	5,915,493	5,646,665
Off Street Parking	5,267,372	2,755,089	4,639,156	4,189,747	4,878,777	5,027,907
Parking Meter Fund Permit Service Center	4,209,151	3,867,665	4,766,071	4,675,064	5,193,520	4,960,183
Other	990,966	961,222	1,524,819	1,197,542	1,545,684	1,565,547
	1,257,722	1,092,750	331,441	1,101,850	1,967,817	1,600,343
	140,021,855	125,907,423	147,438,656	140,757,036	203,608,562	190,276,318

*includes department requests and Council approved budget referrals

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
DIVISION/ACTIVITY SUMMARY						
Office of the Director						
Director	1,146	6,363	129,178	529	50,286	50,286
Admin & Fiscal	5,430,374	5,237,874	6,160,235	6,458,411	6,572,755	6,703,780
Corp Yard Admin	954,333	952,624	1,341,281	1,149,561	1,354,314	1,388,437
Customer Service	397,216	270,189	405,891	343,064	436,942	450,032
Division Total	6,783,069	6,467,050	8,036,585	7,951,563	8,414,297	8,592,536
Transportation						
Administration	666,789	689,388	767,174	436,187	713,679	721,024
Transportation						
Planning	1,147,211	1,104,144	1,082,777	1,212,215	1,535,888	1,296,058
Traffic Engineering	980,485	1,000,085	1,252,649	1,130,712	1,539,652	1,583,730
Parking Services	7,013,042	3,964,491	6,523,303	5,954,008	7,225,298	7,004,827
Capital Projects	6,524,363	5,347,813	1,232,966	6,403,230	20,511,530	7,909,507
Traffic Maintenance	1,305,883	1,134,444	1,197,331	1,292,712	1,365,869	1,392,787
Parking Meter						
Collection	642,302	720,517	886,886	703,545	891,835	916,392
Repair/Maintenance	1,180,491	1,073,160	1,214,207	1,106,657	1,237,554	1,248,359
Division Total	19,460,565	15,034,042	14,157,293	18,239,266	35,021,305	22,072,684
General Engineering						
Administration	876,595	600,691	1,280,415	959,308	1,275,177	1,047,357
Services	218,586	248,871	994,877	459,308	1,794,354	1,102,343
Streets	10,516,902	10,113,760	10,213,269	7,301,701	14,379,584	14,206,132
Sidewalks	1,660,280	128,963	2,198,510	2,125,867	3,009,487	1,265,748
Storm	2,906,802	2,170,656	2,124,822	319,013	3,311,817	3,448,983
Sewers	14,141,604	7,949,693	18,536,266	13,342,639	22,687,720	19,979,233
Facilities/Buildings	10,975,908	7,522,433	3,486,323	4,286,569	7,915,831	14,293,437
Inspection	1,838,660	1,643,525	2,538,422	2,027,491	2,751,133	2,798,788
Development/Permits	484,904	894,389	820,767	638,401	1,191,230	1,205,122
Division Total	43,620,242	31,272,980	42,193,671	31,460,298	58,316,333	59,347,143
Facilities Management						
Administration	71,236	71,293	71,233	71,297	71,233	71,233
Routine Building						
Maintenance	2,104,415	1,714,606	2,538,326	2,408,344	2,679,706	2,720,916
Environmental						
Compliance	434,496	450,649	709,701	169,435	690,456	708,180

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
DIVISION/ACTIVITY SUMMARY cont.						
Electric/ Communication System Maintenance	3,370,563	2,597,238	3,960,182	2,896,974	4,084,597	4,115,878
Traffic Signal Maintenance	731,179	830,164	1,561,611	1,178,766	1,374,011	1,391,556
Janitorial Services	1,329,827	1,635,339	1,778,019	1,568,596	1,880,923	1,899,737
Property Management ADA Building Improvements	984,119	859,432	1,411,742	1,040,306	1,623,629	1,631,657
Internal Non-Routine Maintenance	194,915	168,710	1,300,120	62,743	300,120	300,120
External Non-Routine Maintenance	8,736	9,441	5,000	3,079	5,000	5,000
Capital Projects University Avenue Center	19,526	5,162	-	10,135	-	-
	-	-	184,267	3,378	67,851	67,851
	68,061	53,879	22,980	47,229	23,926	24,512
Division Total	9,317,072	8,395,914	13,543,181	9,460,281	12,801,451	12,936,641
Streets and Sanitation						
Administration	529,719	535,650	486,225	535,888	523,113	538,192
Clean Cities	4,365,756	4,303,481	4,349,698	5,587,502	5,519,387	5,511,008
Sanitary Sewer Operations	6,009,587	5,759,950	6,693,666	6,540,084	6,768,910	6,928,167
Storm Drain Maintenance	647,022	787,707	1,725,452	1,399,971	1,841,840	1,878,902
Street Maintenance	1,729,018	1,493,150	1,910,189	1,607,983	2,085,586	1,987,348
Sidewalk Maintenance	32,529	213,357	417,000	193,779	550,000	400,000
Division Total	13,313,631	13,093,294	15,582,230	15,865,207	17,288,835	17,243,617
Equipment Management						
Administration	296,898	283,904	282,944	318,173	303,134	308,693
Equipment - Maintenance	7,364,097	6,086,156	8,474,843	7,190,863	8,287,051	8,226,001
Equipment - Replacement	2,662,149	7,185,650	5,086,395	9,911,755	5,800,962	5,569,522
Division Total	10,323,144	13,555,710	13,844,182	17,420,791	14,391,148	14,104,216
Zero Waste						
Administration	1,307,360	1,283,954	1,809,027	1,451,501	2,047,316	2,101,073
Residential Refuse Collect Service	14,425,332	13,174,341	15,980,098	15,005,512	18,251,857	18,029,137
Commercial Refuse Collection Service	7,842,435	10,316,071	9,236,134	10,273,447	10,733,180	11,185,941
Container/Cart Maintenance	863,403	834,742	853,107	794,084	871,052	888,055

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
DIVISION/ACTIVITY SUMMARY cont.						
Transfer & Disposal						
Service	10,961,633	11,399,704	11,029,580	11,667,398	11,252,462	11,424,090
Special Collections	1,803,969	1,079,621	1,173,568	1,167,688	1,283,961	1,256,821
Division Total	37,204,132	38,088,434	40,081,514	40,359,630	44,439,828	44,885,116
Adopted Tier 1 Funding *	-	-	-	-	12,935,366	11,094,366
Division Total	-	-	-	-	12,935,366	11,094,366
Department Total	140,021,854	125,907,423	147,438,656	140,757,036	203,608,562	190,276,318

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	PRW, City Attorney, City Manager's Office, Finance, HHCS, IT and Planning and Development	Transfer Station - Master Plan	Phase 1 – Feasibility Study for replacement of Transfer Station & Recycling Center (completed), Phase 2 - consultant retained to conduct CEQA Compliance for Initial Study and Migrated Negative Declaration or Environmental, Phase 3 – Final Eng. Design & Planning & Development permitting, Phase 4 – RFP for construction.	4/20-6/24 (Phase 2)	Continuing	\$1,000,000 (Phase 2, funded)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	City Attorney, City Manager's Office, Parks Recreation and Waterfront	Gilman Street Interchange Project	Improve the mobility and safety of the Gilman Street Corridor by reconstructing the Gilman Street Interchange and creating a new gateway into North Berkeley.	10/18-12/24	Continuing	\$65,000,000 (funded ²⁴ ACTC, Measure BB)

²⁴ Funded primarily through Alameda County Transportation Commission (ACTC). City contribution includes staff time and \$1,000,000 in Measure BB funds.

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment	City Manager's Office, Planning and Development, Information Technology	Long-Term Waste Operations Strategy	Develop long term Zero Waste Strategic Plan – a comprehensive road map to reduce land filled waste.	7/21-12/24	Continuing	\$700,000 (funded)
Provide an efficient and financially-healthy City government	Parks, Recreation and Waterfront	50/50 Sidewalk Program	Reduce 50/50 sidewalk backlog to improve mobility.	7/19-12/23	Continuing	\$3,000,000 (funded)
Provide an efficient and financially-healthy City government	Police, Fire, Health Housing and Community Services, Parks Recreation and Waterfront	Bicycle Plan FY 2022 Update	Update the Bicycle Plan to identify and prioritize bikeway projects and programs to make Berkeley a model bicycle-friendly city where bicycling is a safe, comfortable, and convenient form of transportation and recreation for people of all ages and abilities.	1/21-06/23	Continuing	To be determined (to be paid out of Measure BB Bicycle and Pedestrian funds)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide an efficient and financially-healthy City government	Planning and Development	Update Watershed Management and Storm Drain Master Plans	Updating the citywide watershed management and storm drain master plans.	3/21-6/24	Continuing	\$1,500,000 (funded)
Provide an efficient and financially-healthy City government	Finance	Zero Waste Rate Evaluation	Developing a study that provides for a new five-year rate structure that sets rates through the Proposition 218 process.	7/19-7/23	Continuing	\$165,000 (funded)
Provide an efficient and financially-healthy City government	City Manager's Office, Finance	Undergrounding Utility Wires	Construction of Underground Utility District #48 (Grizzly Peak) including installation of decorative solar street lighting in support of this Undergrounding District.	7/20-10/26	Continuing	\$12,000,000 (funded)
Provide an efficient and financially-healthy City government		Sewer Master Plan	The plan will assess condition and capacity of the sewer system. It will provide prioritization of capital sewer improvements and a basis for a sanitary sewer rate study.	10/19-06/23	Continuing	\$1,200,000 (funded)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide an efficient and financially-healthy City government	City Manager's Office, Police, City Attorney, Finance	BerkDot	Develop plans to establish a Berkeley Department of Transportation to ensure racial justice and equity in Transportation policies, programs, services, capital projects, maintenance, and enforcement. Part of Reimagining Public Safety	7/20-6/24	Continuing	\$550,000 (\$250,000, funded; \$300,000 funded in FY 23)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	PRW, IT and Planning and Development,	Streetlight Comprehensive Plan	Establish operations, recommended maintenance, future system and related funding needs of the City's current street lighting infrastructure.	1/21-12/22	Continuing	\$200,000 (funded)
Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment	City Attorney	Shared Electric Micromobility Program	Establish a program to allow permitting of shared electric bikes, scooters, and other mobility devices provided to the public by third party operators.	1/21-12/22	Continuing	Staff time

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	City Manager's Office, Finance	Long-term Paving Plan (Response to Audit)	Plan to determine funding, operations, and recommended maintenance of the City's streets.	1/21-12/23	Continuing	\$100,000 (funded)
Provide an efficient and financially-healthy City government	Public Works, City Auditor	Fleet Audit Response	Implement Assetworks fleet management software to improve fiscal and records management of funds and fleet assets.	1/21-12/22	Continuing	\$487,249 (funded)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	City Manager's Office, Office of Economic Development	Southside Complete Streets	Install bikeways, transit lanes, and pedestrian safety improvements on various streets in Berkeley's Southside of campus area.	1/21-12/24	Continuing	\$9,719,926 (funded)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	PRW, City Manager's Office, Finance	Measure T1 Infrastructure Bond Measure, Phase 2A	Design and construct approved projects for Phase 2 adopted by City Council 12/15/20. FY2022 will focus on conceptual design and design development of Phase 2A projects.	4/21-6/25	Continuing	\$45,000,000 (funded)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide an efficient and financially-healthy City government	City Manager's Office	Equitable Clean Streets	Purchase of new rear-end loader and hiring of two-person crew to facilitate increased cleaning of areas, including encampments. Add clean up services by non-profit organization.	2/21-12/22	Continuing	\$415,000 (funded)
Create a resilient, safe, connected, and prepared city	Police, City Manager's Office, City Attorney	Installation of Public Safety Surveillance Cameras	The purchase and installation of Public Safety Surveillance Cameras at City Council approved locations per Berkeley Police Department Policy No. 351.	2/22-6/23	New	\$1,300,000 (funded)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Public Works	Ohlone Greenway Modernization and Safety Improvements	Upgrade pathway as a low-stress bikeway and pedestrian path between Virginia Gardens and border.	1/22-12/24	New	\$2,100,000 (funded)

Goal	Supporting Departments	Title	Description	Planned Start/End	New or Continuing?	Estimated Budget
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Public Works	Woolsey-Fulton Bike Blvd	Class 3b bicycle boulevard along Woolsey from Adeline to Wheeler, Wheeler from Woolsey to Prince, along Prince from Wheeler to Fulton, and along Fulton from Prince to Dwight.	1/22-12/24	New	\$2,600,000 (funded)
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	Public Works	Parker Street to Addison Bikeway	A Class 3B bicycle boulevard along Parker from 9th to Mabel, Mabel from Ward to Dwight, Bonar from Dwight to Bancroft, Bancroft from Mable to the Strawberry Creek Park entrance, West Street from Allston to Strawberry Creek Park and from this park to Addison.	1/22-12/24	New	\$950,000 (funded)

PERFORMANCE MEASURES SUMMARY

The below table summarizes the Public Works Department's performance measures. More detailed information is available in the Performance Measures appendix to this document.

Measure	Description	Target	Actual	Tracking
Average days to abate illegal dumping on private property	Average Lagan (service request system) case closed date ²⁵	↓	• 4.58 days	●
Percent of commute trips by solo occupant vehicle	Calculated as part of the US Census Bureau's American Community Survey	↓	• 33% of commute trips	●
Three year average of fatalities/severe injuries on City streets	Calculated with Statewide Integrated Traffic Records System	↓	• 4.9 fatalities • 49.7 severe injuries	●
Pavement condition index (PCI)	Numerical rating of pavement condition based on type and severity of distress observed	↑	• 56 PCI	●
Percent of waste diverted from landfill	Calculated using CalRecycle's online calculator	↑	• 74% diverted	●

● Meeting/exceeding target

● Near target

● Not meeting target

↑ Target is to increase numbers/percentages

↓ Target is to decrease numbers/percentages

²⁵ Residential requests are reported to 311 Customer Service and then once a work order is generated it is given to the crew to respond. Data is based on Lagan Case Closed date. These are not encampment cleanups, which instead, occur twice per week and serve several locations.

CHALLENGES

Major challenges the Public Works Department has faced over FY 22 include:

- **Vacancy Rate:** Throughout all of FY 22, Public Works has experienced a vacancy rate among career positions at about 15-18%. With vacant positions, delays occur, remaining staff already at capacity absorb additional work, and morale decreases. Staff is working on expediting internal processes and coordinating with Human Resources to reduce the vacancy rate.
- **Resource Alignment:** As of the last inventory, the Department had approximately 159 outstanding pieces of direction from City Council referrals, adopted Strategic Plan projects, budget referrals, and audit findings. The high volume of direction, particularly when not matched with available resources (i.e., financial or staff capacity), can be difficult to track and prioritize.
- **Key Challenged Funds/Programs:**
 - Public Works continues to experience major revenue related impacts related to COVID-19 in the On-Street Parking Fund (Meters) and Off-Street Parking Fund (Garages), driven by COVID-19 policies from local agencies restricting activity, but also customer/resident behavior. Revenue has begun to return to approach pre-COVID levels, but fund balances are still insufficient to fund the planned Elevator Replacement at the Telegraph/Channing Mall and Garage and the citywide Parking Meter Replacement projects.
 - Equipment Replacement Fund balances have been depleted over time due to historical under-collection by not accounting for either staff expenditures or vehicle upfitting costs that are part of the Fund's expenses.
 - A challenge for the Sanitary Sewer Fund will be the inability to predict the outcome of Consent Decree Mid-Course check-in, and if a Performance Evaluation Plan (PEP) will need to be implemented. The draft PEP calls for Berkeley to install up to 100 flow monitors to collect additional information to identify intrusion sources. The potential impact will be \$500,000 to \$1,000,000, and funding for these potential projects are not a part of the current sanitary sewer rate structure.
- **Critical Unfunded Needs:** Public Works is charged with the maintenance of City facilities and public right-of-way infrastructure. Recurring funding to support maintenance of this infrastructure has been perennially underfunded. The longer the asset's maintenance is deferred, the greater the future costs are to repair or replace. A FY 22 revised estimate of the assets under the Department's portfolio projects identified an accumulated \$1 Billion in deferred maintenance costs and needed improvements.

To address the systemic funding issues, Public Works is coordinating with other departments to put a Vision 2050 infrastructure revenue measure before City Council for consideration. The measure's goal would be to address the infrastructure funding gap and improve Berkeley streets, sidewalks, storm facilities, buildings and traffic safety infrastructure managed by Public Works. Approved bond or tax funding would be combined with an increased priority allocation of local funds towards ongoing regular maintenance on infrastructure to keep infrastructure in good condition.

ACCOMPLISHMENTS

Highlights of recent Public Works Department accomplishments include:

- **Completion of Measure T1 Bond Phase 1 Construction Projects and Beginning Phase 2:** Public Works, along with the Parks, Recreation and Waterfront Department, met the 85% expenditure milestone for Phase 1 bond funds, and completed a community process for developing the Phase 2 project list. Measure T1 Phase 1 projects are completed with the exception of Marina Streets and North Berkeley Senior Center projects which are expected to be completed by June 2022. Measure T1 Phase 2 Projects have started and the John Hinkel Storm Drain Project has been completed.
- **Sidewalk Safety Improvements:** Public Works made significant gains towards addressing the 50/50 sidewalk repair program list backlog. 656 repairs were completed in FY 21, which reduced the backlog by 18%. Overall, as of January 31, 2022, there have been 1,907 repairs which has reduced the 50/50 sidewalk repair program backlog by 53%. During COVID, the sidewalk shaving program took advantage of the reduced pedestrian traffic and focused on the repair areas in the typical high pedestrian traffic areas of the City. This greatly reduced potential tripping hazards, with minimal construction impacts. Projects are underway to continue this work over the next two years, and, by the end of FY 23, it is projected that the 50/50 program backlog repair will have been reduced by 88% from the 2019 backlog total.
- **Vision Zero & Healthy Streets:** Public Works completed construction of the Milvia Bikeway Project, Sacramento Complete Streets Project, 9th Street Path Way Phase II, and the Shattuck Reconfiguration Project. There is continued construction on Addison Street Bike Boulevard Project and North Berkeley BART-Sacramento Street. The Department applied and received grant awards for pedestrian and bicycle crossing safety improvements on various high-injury streets. Also, the Department expanded on the use of the "quick-build" program to deliver Vision Zero traffic safety projects. In addition, Public Works developed a Shared Electric Micromobility Permit Program.

- **Equity:** Public Works has taken important strides in building equity into its programs and services. It has adopted formal equity components into its Berkeley Strategic Transportation Plan, Pedestrian Plan, and Vision Zero Action Plan. This year, City Council adopted an update to its Street Maintenance and Rehabilitation Policy that included a formal Equity Zone. Automatic fee discounts for low-income residents are being built into the Department's sewer fees.
As the Department leads implementation of Vision 2050, it seeks more opportunities to build equity into City programs and services based on the Vision 2050 equity definition: disadvantaged residents with more pressing needs should experience infrastructure benefits sooner than others.
- **Customer Service:** Public Works has conducted scientific surveys involving 1,483 constituents to gauge the services the Department delivers through the City's infrastructure and its divisions. These surveys show broad satisfaction with Public Works' sewer and Zero Waste services (and rates); mostly positive ratings of the City's traffic safety and bike/pedestrian infrastructure; mixed ratings of the safety and ease in getting around Berkeley; and negative views of the City's street condition.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The FY 23 Adopted Budget is \$203,608,562 and translates to an overall increase of 38.10% or \$56,169,906 over the FY 22 Adopted Budget of \$147,438,656. This is primarily due to an increase of \$30,278,679, or 77%, in Capital Outlay; \$6,926,080, or 19%, in services and materials and \$4,112,431, or 8% in salaries and benefit costs. The budget includes the baseline capital budget plus one-time capital project budgets, and \$12,935,366 in approved departmental budget requests and Council budget referrals.

The FY 23 and FY 24 Adopted Budget includes the following approved funding request:

- **Reimagining Public Safety Initiative elements including:**
 - Associate Planner (Vision Zero): \$173,906 in both FY 23 & FY 24
 - BerkDOT Development: \$300,000 (FY 23)
 - Expand Downtown Streets Teams: \$50,000 (FY 24)
 - Hearing Officer-Alternatives to Sanctions/Fines: \$150,000 (FY 24)
- **Operations/Capital:**
 - 4 School Crossing Guards: \$77,156 in both FY 23 & FY 24
 - Transportation: Mobility Coordinator: \$190,000 in both FY 23 & FY 24
 - Streets & Utilities: Community Services Specialist: \$83,304 in both FY 23 & FY 24*
 - Telegraph-Channing Garage Elevator: \$3,600,000 (FY 23)*

- ADA Transition Plan Update Implementation: \$250,000 (FY 23), \$500,000 (FY 24)
- Facilities Deferred Maintenance Investment: \$250,000 (FY 23), \$500,000 (FY 24)
- Streets Rehabilitation PCI Improvement: \$5,000,000 (FY 23), \$9,100,000 (FY 24) *
- Municipal Electric Vehicle Charging Infrastructure: \$1,150,000 (FY 23)*
*Also a Council Budget Referral

- **Council Budget Referrals:**

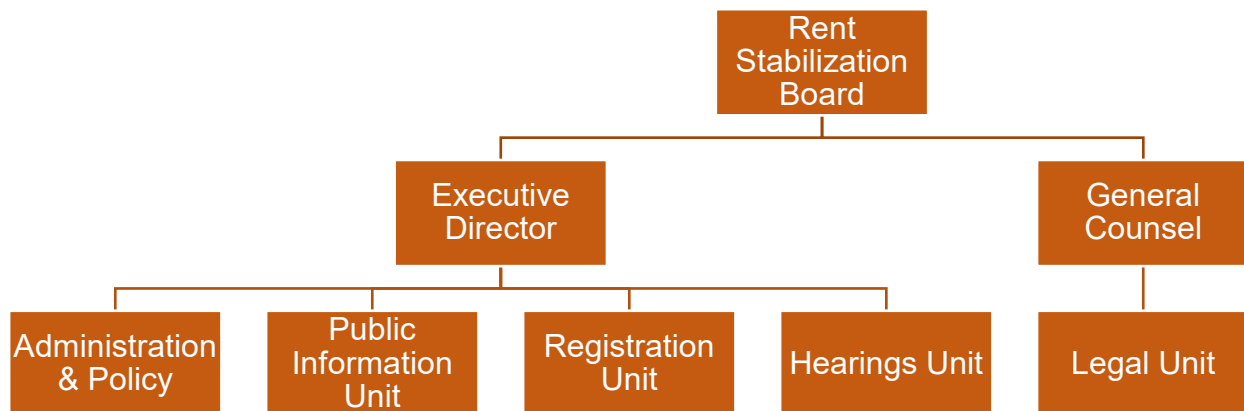
- Expand Scope of the Downtown Streets to Gilman District: \$50,000 (FY 23 & FY 24)
- Establishing City Process for Siting and Developing Public Electric Vehicle DC Fast Charging Hubs: \$600,000 (FY 23)
- Traffic Calming Program - \$70,000 (FY 24)
- Reduced Speed Limits on High-Injury Commercial Corridors (State Law AB 43): \$50,000 (FY 23)
- Hopkins Corridor Bike, Pedestrian, and Placemaking Improvements: \$150,000 in both FY 23 and FY 24
- Convert 62nd St. between King St, and Adeline St. into a cul de sac/ marked bicycle lane: \$300,000 (FY 23)
- Dwight Way Traffic Calming: \$50,000 (FY 23)
- Semi-diverter traffic bollards at the intersection of Newbury Street and Ashby Avenue: \$50,000 (FY 23)
- Bus canopies/bulb outs-Durant Complete Streets: \$336,000 (FY 23)
- Electric Bicycles for City Use: \$25,000 (FY 23)

RENT STABILIZATION BOARD

MISSION STATEMENT

The mission of the Rent Stabilization Board is to regulate residential rent increases in the City of Berkeley, protect against unwarranted rent increases and evictions, and provide a fair return to property owners. The Board works to ensure compliance with legal obligations relating to rental housing; and to advance the housing policies of the City with regard to low- and fixed-income persons, minorities, students, disabled, and the aged.

ORGANIZATIONAL CHART



RENT STABILIZATION BOARD OVERVIEW

The nine elected commissioners of the Rent Stabilization Board enact regulations, hear petition appeals, and administer a program to implement the Rent Stabilization and Eviction for Good Cause Ordinance that regulates most residential rents in Berkeley, provides tenants with increased protection against unwarranted evictions, and is intended to maintain affordable housing and preserve community diversity (Berkeley Municipal Code (Chapter 13.76.)).

The Rent Stabilization Program provides information and counseling to over 10,000 landlords and tenants annually, calculates and certifies individual rent ceilings, maintains a database of registered rental units, collects registration fees, and conducts administrative hearings and issues decisions on landlord and tenant rent adjustment petitions.

Owners of rental property fully covered by the Ordinance and most partially covered properties are required to register their units and pay annual registration fees, which cover the program's cost.

The Rent Stabilization Program is organized into five units to deliver the following baseline services:

- **Administration and Policy:** This Unit provides Rent Board and Committee meeting support to ensure compliance with the Brown Act, public access, and transparency, and the coordination of agendas, minutes, and related documents, and assists with electronic outreach including email and helps maintain the agency's website. It also provides office administration, payroll, purchasing, finance, and accounting support; and prepares, executes, monitors, and reports on the budget and contracts. The Unit develops and implements administrative policies and operational processes, and works with City Council and other departments to develop and implement a coordinated housing policy consistent with the Ordinance, including monitoring legislation and conducting surveys and studies to help guide the formulation of sound public policy.
- **Public Information Unit:** This Unit provides active outreach and education to owners and tenants regarding their rights and obligations by publishing newsletters, postcards, maintaining an up-to-date website and Facebook page, attending events in the community, and conducting workshops and webinars. Housing Counselors provide in-office, offsite, phone, and e-mail counseling on the Ordinance and applicable state housing laws to over 10,000 clients per year, and assist landlords and tenants with filing petitions. During the COVID-19 pandemic, staff also provides outreach and counseling on complex and rapidly-changing state and local anti-displacement laws.
- **Registration Unit:** This Unit assists property owners and tenants with understanding unit and tenancy registration requirements under the Ordinance and Rent Board Regulations, bills and collects registration fees, processes and tracks changes in rental status, maintains the Rent Board's electronic property database, collects penalties and processes requests to waive penalties, issues the Annual General Adjustment, provides rent ceiling notices, and communicates with new tenants and owners.
- **Legal Unit:** This Unit represents the Board in litigation; analyzes housing-related legislation and public policy and advises the Director and Board; advises the Board on appeals from administrative hearing decisions; drafts regulations, resolutions, and contracts; and provides legal advice to the Director on matters related to the Ordinance and its administration. Legal staff also conduct mediations to help landlords and tenants voluntarily resolve disputes, and processes and gathers responses to Public Records Act requests.

- **Hearings Unit:** This Unit conducts administrative hearings under standard due process procedures for a variety of claims, including rent reductions due to habitability/code violations, rent increases for additional occupants or capital improvements, and determinations of a property's exempt status. Upon conclusion of the hearing a written decision is issued, which can be appealed to the Board and/or the courts. Hearings examiners focus on conflict resolution by holding informal settlement conferences before formal hearings, and conducting voluntary mediations.

RENT STABILIZATION BOARD FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est. Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	4,074,227	3,928,261	4,705,500	3,996,567	4,967,978	5,111,654
Services and Materials	1,675,894	1,533,120	2,038,130	1,727,155	2,183,372	2,198,372
Capital Outlay	-	-	2,500	-	17,000	17,000
Internal Services	5,100	55,809	79,405	79,405	79,405	79,405
Indirect Cost Transfer						
	5,755,222	5,517,190	6,825,535	5,803,127	7,247,755	7,406,431
By Division:						
Rent Stabilization Board	5,755,222	5,517,190	6,825,535	5,803,127	7,247,755	7,406,431
	5,755,222	5,517,190	6,825,535	5,803,127	7,247,755	7,406,431
By Fund:						
General Fund	579,015	-	-	-	-	-
Measure U1	-	460,420	550,000	570,830	550,000	550,000
Rent Stabilization Board	5,176,207	5,056,770	6,275,535	5,232,297	6,697,755	6,856,431
	5,755,222	5,517,190	6,825,535	5,803,127	7,247,755	7,406,431

STRATEGIC PLAN PRIORITY PROJECTS AND PROGRAMS

The Rent Stabilization Board has not adopted the City of Berkeley Strategic Plan and does not have performance measures connected with its goals.

CHALLENGES

The Rent Stabilization Board's challenges include:

- **Ending of State and Local Eviction Moratoriums:** The Rent Board is the only city department providing counseling and outreach on complex and rapidly changing state and local anti-displacement laws. The state and local eviction moratoriums that are currently in place have prevented evictions from going forward during a time when many tenants owe a significant amount of rent due to the economic impacts of the COVID-19 pandemic. As these laws change or come to end, the Rent Board will continue to counsel tenants and landlords on the status of all applicable anti-displacement laws, and the elected Rent Board will work with the City Council to explore policies to reduce the number of evictions that eventually move forward.
- **Completing a New Tenant Survey:** The Rent Board surveys Berkeley tenants about every 10 years. The Rent Board's tenant survey asks tenants to answer questions on their household characteristics, the conditions of their unit or building, and their knowledge and opinion of the services that are provided by the Rent Board. The previous tenant survey was completed in 2009 and this survey, which has been delayed due to the COVID-19 pandemic, is scheduled to be completed in fall of 2022, with results published in 23. Updating the tenant survey will provide important information for Berkeley rental housing policy.
- **Transitioning to New Rent Tracking and Case Management Systems:** The Rent Board is working with a vendor to transition to a new software system that integrates the tracking of rental unit registration and the agency's case management system. The Rent Board's new software platform launched in the 1st quarter of 2022. Counseling cases are now being entered into the new system and the FY 23 rental unit registration will take place entirely in the new platform. Replacing and integrating the agency's outdated rent tracking system and case management systems with an integrated software solution will create greater efficiencies for staff, but it is a major challenge to transition to a new system and successfully migrate over 40 years of rental unit data.

ACCOMPLISHMENTS

Highlights of recent Rent Stabilization Board accomplishments include:

- **Implementing Berkeley's Fair Chance Ordinance:** The City Council passed the Ronald V. Dellums Fair Chance Access to Housing Ordinance (Berkeley Municipal Code, Chapter 13.106) in April of 2022. The Rent Board agreed to administer this Ordinance on behalf of the City and assisted the City Attorney's Office with the drafting of the administrative regulations to establish an administrative review and hearings process for Fair Chance complaints. Rent Board now provides counseling to existing landlords and tenants on the Fair Chance Ordinance and is equipped to process any Fair Chance complaints that arise.
- **Registration of Rental Units Under Measure MM:** In November 2020, Berkeley voters passed Measure MM which, amongst other things, created new registration requirements for most rental units partially covered by Berkeley's Rent Ordinance. The new Measure MM fee was due on July 1st, 2021 and the agency has successfully registered nearly 5,000 units that qualify for registration under Measure MM.
- **New Executive Director:** In the spring of 2020 the Rent Board's Executive Director of almost 19 years unexpectedly retired. The Rent Board conducted an agency assessment to guide recruitment of a new Executive Director. The Rent Board then began the recruitment process in the fall of 2021 and hired DéSeana Williams in November 2021 after a nationwide search for the best candidates. DéSeana was born and raised in New York and comes from a position with the Detroit Housing Commission where she worked for 15 years. The Rent Board is excited to begin a new chapter with DéSeana onboard.
- **Providing High Quality Counseling and Outreach During the COVID-19 Pandemic:** The demand for Rent Board counseling services has increased as tenants and property owners struggle with the financial impacts of COVID-19. In response, the Rent Board quickly pivoted to providing remote counseling and outreach by phone, videoconference, email, and webinars. Staff have gotten quickly up-to-speed on a constant stream of changes to state and local anti-displacement laws—including Berkeley's Emergency Ordinance, Assembly Bill 2179, and Senate Bill 91—and have provided counseling and created outreach materials designed to help tenants stay in their homes, and property owners understand their rights and obligations under these complex laws. The Rent Board also implemented a new online appointment system for clients that wish to schedule an appointment to consult with a Rent Board housing counselor.

SIGNIFICANT CHANGES FROM PRIOR YEAR'S BUDGET

The Rent Stabilization Board adopted the FY 23 staffing model and budget on June 16, 2022. The Rent Board's Budget and Personnel Committee meets regularly between January and June of each year to discuss the agency's financial status and to consider possible revisions to the budget for the following fiscal year. This process typically results in a joint budget recommendation from both the committee and the Board's Executive Director.

The Rent Stabilization Board's FY 23 budget can be found on the Board's webpage (<https://rentboard.berkeleyca.gov/>).



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NON-DEPARTMENTAL (ALL CITY FUNDS)

The Non-Departmental budget contains critical pieces of the City budget not attributable to a single program or department. The largest component of this budget is the transfer of funds or money from one fund to another, such as a General Fund transfer to the Capital Improvement Program (CIP) Fund (\$19,000,905 in FY 2023 and \$18,370,905 in FY 2024).

Some examples of other transfers include the following:

- General Fund to Measure U1 - \$4,900,000
- General Fund to Stability Reserve Fund (\$3,025,000 in FY 2023 & \$2,200,000 in FY 2024) and the Catastrophic Reserve Fund (\$2,475,000 in FY 2023 & \$1,800,000 in FY 2024)
- General Fund to the PERS Savings Fund (Section 115 Trust) - \$2,000,000
- General Fund to Health State Aid Realignment Fund (\$1,953,018)
- General Fund to the Public Liability Fund (\$3,895,888)
- Health State Aid Realignment to the General Fund - \$2,643,280
- Parking Meter Fund to General Fund - \$1,742,288

Because most transfers are budgeted in two separate funds, the Non-Departmental budget and in an operating Department budget, they are considered “dual appropriations.” Dual appropriations, amounts that are designated in different areas, are balanced in the budget for a net appropriation amount.

Other components of the Non-Departmental budget include:

- Debt service costs for General Obligation Bonds
- Lease Purchase Agreements
- Certificates of Participation (C.O.P.s)
- Allocation for Community-Based Organizations
- General overhead costs such as Property Insurance and School Board Salaries

NON-DEPARTMENTAL FINANCIAL SUMMARY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES						
By Type:						
Salaries and Benefits	-	-	-	-	-	-
Services and Materials	60,402,889	95,581,042	127,522,399	106,147,842	110,594,086	96,618,910
Capital Outlay	-	-	-	-	-	-
Internal Services	-	-	-	-	-	-
Indirect Cost Transfer	-	-	-	-	-	-
Total	60,402,889	95,581,042	127,522,399	106,147,842	110,594,086	96,618,910
By Division:						
Non-Departmental	60,250,785	95,028,326	27,522,399	106,147,842	110,594,086	96,618,910
Emergency Operations	152,104	552,716	-	-	-	-
Total	60,402,889	95,581,042	127,522,399	106,147,842	110,594,086	96,618,910
By Fund:						
General Fund	30,903,908	46,390,565	51,669,260	36,288,719	60,994,413	55,945,792
Measure U1	-	946,163	-	1,046,163	300,000	-
GF - Stabilization Reserves	-	6,900,000	-	-	-	-
GF - Catastrophic Reserves	-	4,500,000	-	2,700,000	-	-
CIP Fund	1,598,404	1,054,047	1,054,047	1,055,247	1,354,046	954,047
Section 108 HUD Loan	546,678	553,108	553,108	568,199	587,612	587,612
CDBG	154,260	143,373	138,719	138,719	176,194	176,194
UC Settlement	1,294,328	1,210,073	-	-	-	-
ARPA - Local Fiscal Recovery Workers	-	-	46,300,355	33,945,450	18,935,943	10,697,743
Compensation	4,296,758	5,320,633	5,332,340	5,955,024	5,332,340	5,332,340
Zero Waste	-	-	-	-	-	-
Sewer Fund	90,501	90,501	90,501	90,501	90,501	90,501
Off Street Parking	1,915,550	1,348,325	1,911,850	1,913,700	1,911,850	1,911,850
Parking Meter	1,742,288	1,742,288	1,742,288	1,742,288	1,742,288	1,742,288
Health State Aid	-	-	-	-	-	-
Realignment	2,643,280	2,643,280	2,643,280	2,643,280	2,643,280	2,643,280
Mental Health Services Act	-	400	-	-	-	-
Debt Service	-	-	-	-	-	-
09 Measure FF	-	-	-	-	-	-
Library Debt Service	1,620,705	1,500,664	1,343,638	1,339,327	1,343,638	1,343,638
CFD#1 Dis Fire	-	-	-	-	-	-
Protect Bond	1,424,337	2,611,840	2,803,978	2,803,895	2,803,978	2,803,978

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2022 Est Actual	FY 2023 Adopted	FY 2024 Adopted
EXPENDITURES (CONTINUED)						
2012 Ref Lease Rev						
Bonds						
Successor Agency	56,960	57,120	57,120	57,040	57,120	57,120
2015 GORBS - 2002						
G.O. Refunding						
Bonds						
Thousand Oaks	480,100	479,460	379,561	378,562	379,561	379,561
Underground	102,751	73,636	98,448	101,106	98,448	98,448
2015 GORBS (2007						
Series A)	180,826	180,302	142,865	142,017	142,865	142,865
2015 GORBS	2,611,620	2,604,056	2,051,966	2,051,117	2,051,966	2,051,966
2015 GORBS (2008						
Measure I)	611,666	609,895	481,286	480,391	481,286	481,286
Sustainable Energy						
Finance	23,951	18,724	-	36,384	-	-
2010 COP (Animal						
Shelter)	404,533	5,329,159	406,991	105,228	406,991	406,991
Measure FF -Public						
Safety	-	-	757,925	757,925	757,925	757,925
Measure M GO						
Street & Water Imp	1,648,488	1,642,613	740,738	1,636,238	740,738	740,738
Measure O -						
Affordable Housing	785,000	2,003,748	2,023,940	2,010,390	2,023,940	2,023,940
Measure T1						
Infrastructure &						
Facilities	2,471,056	1,730,806	1,731,181	2,718,840	1,731,181	1,731,181
Building Purchases						
& Management	1,634,111	279,202	1,636,188	1,633,575	1,636,188	1,636,188
Other	1,160,830	3,617,063	1,430,826	1,808,518	1,869,794	1,881,439
Total	60,402,889	95,581,042	127,522,399	106,147,842	110,594,086	96,618,910




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PERFORMANCE MEASURES

This section provides detailed data and contextual information on many of the City’s performance measures. Over time, staff continue to review and improve not only performance, but how it’s measured. Staff may come to better understand the data or find more efficient ways to analyze or collect data. When staff discover an error due to outlying data, it brings the remaining data into better clarity, which in turn exposes new outliers. Sometimes outliers are just that, anomalous data points, but other times they expose errors in the way the data is calculated or filtered.

In some cases, staff may identify different things to track that better answer “how well are we doing?” and “is anyone better off?”

The data is organized by Strategic Plan Goal, as shown in the table below. Please note, abbreviations are used for each Strategic Plan Goal. Additionally, throughout this section, Calendar Year (CY) denotes January through December and Fiscal Year (FY) denotes July through June. In sections where the impact of COVID-19 is discussed, this is denoted by 

STRATEGIC PLAN GOAL	ABBREVIATION	PERFORMANCE MEASURES
Create affordable housing and housing support services for our most vulnerable community members	AFFORDABLE HOUSING	<ul style="list-style-type: none"> • Percentage of STAIR¹ clients exiting to permanent housing • Shelter uptake rate²
Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment	ENVIRONMENT	<ul style="list-style-type: none"> • Climate Action Plan progress/decreasing community greenhouse gas (GHG) emissions • Average days to abate illegal dumping on private property • Percent of commute trips by solo occupant vehicle

¹ STAIR (stability, navigation, and respite) is Berkeley’s Housing Navigation center.

² For contextual reasons, this measure is shown in the following pages under the goal “Resilient” alongside the other measures relating to the work of the Homeless Response Team (HRT).

STRATEGIC PLAN GOAL	ABBREVIATION	PERFORMANCE MEASURES
Champion and demonstrate social and racial equity	EQUITY	<ul style="list-style-type: none"> • Percentage of waste diverted from landfill • Number of meals provided (Aging Services) • Access to technology (Library) • Number of registered users as percentage of Berkeley residents (Library) • Average days to close a complaint; number of complaints (Equal Employment Opportunity [EEO]) • Citywide workforce demographics compared to community • Police Department demographics compared to community • Use of (police) force in comparison to calls for service and to arrests • Complaints (relating to police) in comparison to call for service
Provide an efficient and financially-healthy City government	FISCAL HEALTH	<ul style="list-style-type: none"> • Achieving a balanced budget • Number of budget adjustments made • Number of contracts reviewed for budget • Receiving a Government Finance Officers' Association (GFOA) award • Reporting on unfunded liabilities • Meeting target contributions for General Fund reserves and Section 115 trust • Number and dollar amount of purchase orders; percent returned as noncompliant; percent requiring review • Dollar amount of cash and investments; rate of return; meeting safety, liquidity, and reasonable return requirements

STRATEGIC PLAN GOAL	ABBREVIATION	PERFORMANCE MEASURES
		<ul style="list-style-type: none"> Meeting statutory publication date for Annual Financial Report; receiving no audit findings
Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities	INFRASTRUCTURE	<ul style="list-style-type: none"> Pavement condition index (i.e., roads/streets)
Foster a dynamic, sustainable, and locally-based economy	LOCAL ECONOMY	<ul style="list-style-type: none"> Number and dollar amount of payments processed; percent noncompliant or requiring additional review Number of arts and culture grant applications received; count of arts and culture grants awarded; total dollar amount distributed Number of active Revolving Loan Fund (RLF) loans; number of private sector jobs saved with RLF loans; number of jobs created Amount of American Rescue Plan Act (ARPA) funds disbursed to arts and culture organizations, visitor and tourism sector, and small business support
Create a resilient, safe, connected, and prepared City	RESILIENT	<ul style="list-style-type: none"> Count of volunteers; volunteer hours (Animal Services) Foster rate (Animal Services) Number of spays/neuters performed; number of vaccinations administered (Animal Services) Average tonnage/pounds of debris removed (Homeless Response Team [HRT]) Average number of storage notices and violation notices provided/month (HRT) Average number of encampment closures performed/month (HRT)

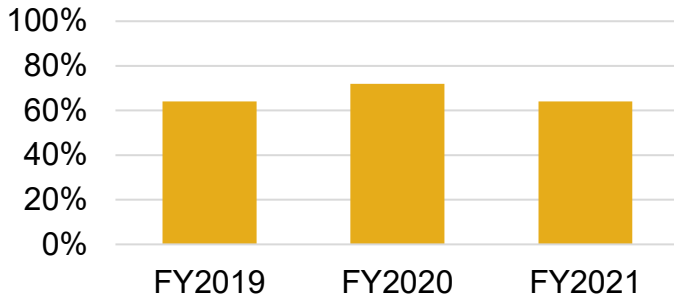
STRATEGIC PLAN GOAL	ABBREVIATION	PERFORMANCE MEASURES
		<ul style="list-style-type: none"> • Average and median call response time (Fire and Emergency Services) • Percentage of scheduled fire prevention inspections completed • Fire fuel debris removed (Parks, Recreation and Waterfront) • Three-year average of fatalities/severe injuries on City streets • Deaths and accidents relating to vehicles or bicycles
<p>Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community</p>	<p>SERVICE</p>	<ul style="list-style-type: none"> • Number of records indexed online; number of City Council and Policy Committee meetings administered; number of legislative items collated and tracked; number of disclosures processed • Average days per animal shelter stay; percentage of animals adopted; percentage of animals going to nonprofit rescues; percentage of animals returned to owners (Animal Services) • Low euthanasia rate (Animal Services) • Non-sterilization surgeries provided (Animal Services) • Number of community contacts; time spent during community meetings (Parks, Recreation and Waterfront) • Average days to resolve a case; case completion rate; total cases; completed cases (Neighborhood Services – Code Enforcement Unit) • Number of information and assistance sessions provided (Aging Services) • Percent reduction days spent in psychiatric hospital among clients in

STRATEGIC PLAN GOAL	ABBREVIATION	PERFORMANCE MEASURES
		<p>Full Service Partnership program (Mental Health Division)</p> <ul style="list-style-type: none"> • Number of vector service requests and complaints received • Percent of COVID-19 cases and contacts with outreach initiated (e.g., for case investigation and contact tracing) • Number of items circulated; amount of information services provided, number provided and amount of participation in cultural and educational programs (Library) • Customer satisfaction (Permit Service Center) • Time from land use permit application completion to staff approval • Average building permit plan check review time • Number of (police) commendations, annually; commonly occurring words/themes in commendations • First call resolution and abandonment rate (311, IT Help Desk)
<p>Attract and retain a talented and diverse City government workforce</p>	<p>WORKFORCE</p>	<ul style="list-style-type: none"> • Time to hire (from requisition approval to hired status) • Employee training attendance; number of trainings available; number of requests for tuition reimbursement • Number of appointments; number of grievances (Labor Relations Coordinating Committee [LRCC])



AFFORDABLE HOUSING

Percentage of STAIR Clients that Exit to Permanent Housing



Factors Contributing to Current Performance

- Program is unique because it combines outreach component and rapid rehousing to help people that are living on the streets and in encampments get housed quickly.
- Richer constellation of services are available than typically found in other shelters.

Factors Restricting Performance Improvement

- Housing placements are limited by the supply of affordable housing and income of participants served.

Addressing Measures Not Meeting Target

Measure	Outcome and Analysis	Next Steps
Percent of STAIR ³ clients that exit to permanent housing	It was challenging to support clients to obtain and maintain benefits during the pandemic, as services for benefits claims, applications, and appeals were delayed. Most benefit offices became operational via phone, requiring clients to verify their identity via mail before receiving services i.e. (adjustment in payment, request and appeal for supplemental security income [SSI] and health insurance, proof of identification needed to reinstate payment or coverage). Benefits services have since increased, but had a direct impact on housing placements. The pandemic decreased landlord participation and inhibited Bay Area Community Services (BACS) from expanding its landlord pool. Due to safety precautions, there was a significant decrease in affordable “shared” housing options being offered by landlords. The program saw an increase in self-exits attributed to shelter in place, site quarantines, and newly implemented safety policy and procedure regulations.	BACS has grown its Housing Coordination and Employment Services Team that provides greater resources to identify affordable housing for all resident income levels and IPS services including a wide range of bridge support including career and job placement, connections to legal advocacy for benefits, fix income work programs, school/work programs and more. In order to house the growing number of residents who have fixed income, BACS continues to extend its landlord platform to offer a variety shared housing options at affordable price point to its participants.

³ STAIR (stability, navigation, and respite) is Berkeley’s Housing Navigation center.



ENVIRONMENT

Climate Action Plan

✓ Total community greenhouse gas (GHG) emissions in 2019 **decreased 26%** from the 2000 baseline and decreased 4% from 2018.

Learn about Berkeley's progress toward achieving its Climate Action Plan

(<https://berkeleyca.gov/your-government/our-work/adopted-plans/berkeley-climate-action-plan>)

goals. View the latest Berkeley Climate Action Plan 2022 Update presentation

([https://berkeleyca.gov/sites/default/files/2022-](https://berkeleyca.gov/sites/default/files/2022-05/February%208%202022%20CAP%20Workshop_Slides_final_0.pdf)

[05/February%208%202022%20CAP%20Workshop_Slides_final_0.pdf](https://berkeleyca.gov/sites/default/files/2022-05/February%208%202022%20CAP%20Workshop_Slides_final_0.pdf)) and accompanying

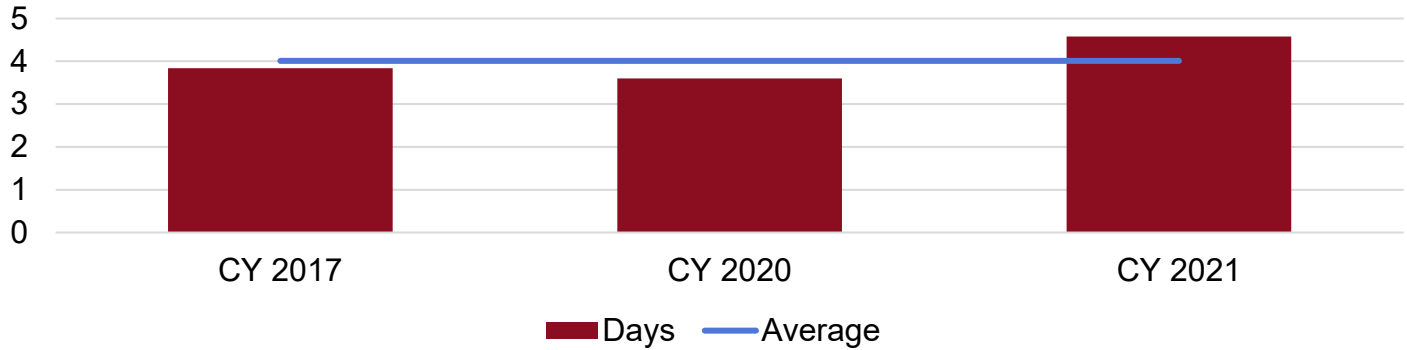
staff report ([https://berkeleyca.gov/sites/default/files/2022-04/2022-02-](https://berkeleyca.gov/sites/default/files/2022-04/2022-02-08%20Item%2017%20Greenhouse%20Gas%20Emissions%20Inventory.pdf)

[08%20Item%2017%20Greenhouse%20Gas%20Emissions%20Inventory.pdf](https://berkeleyca.gov/sites/default/files/2022-04/2022-02-08%20Item%2017%20Greenhouse%20Gas%20Emissions%20Inventory.pdf))



ENVIRONMENT

Average Days to Abate Illegal Dumping on Public Property



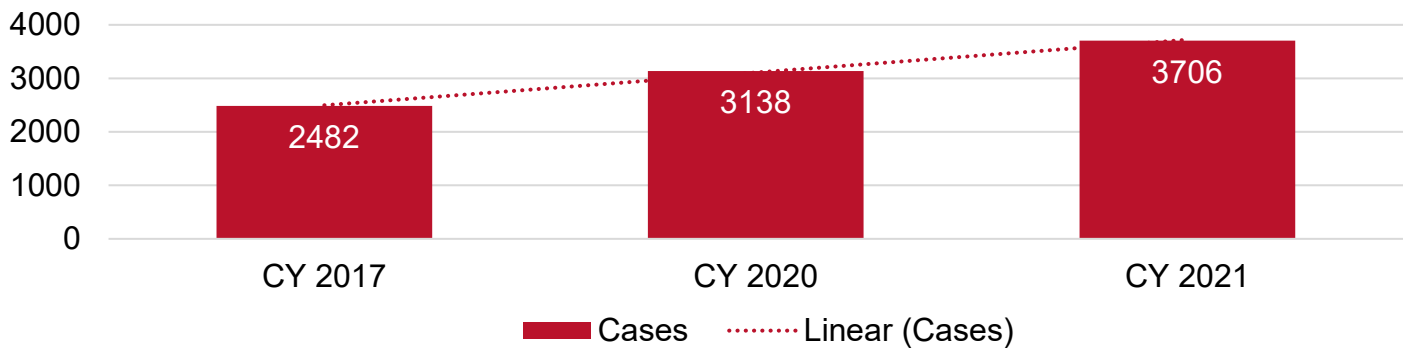
Factors Contributing to Current Performance

- The Public Works Clean City program staff work seven days a week to keep Berkeley clean. They are very responsive and often resolve most illegal dumping issues the same day reported.

Factors Restricting Performance Improvement

- There has been a 72% increase in the number of requests for service over the last 6 years. Cases for repeat (third call within a year) illegal dumping locations remain open longer to ensure they are processed with Code Enforcement. Staff vacancies within the Clean City program have impacted response time.

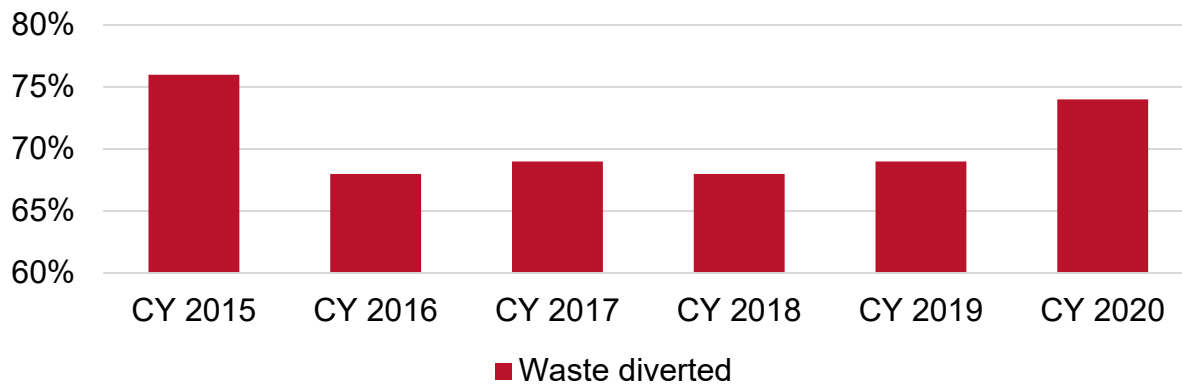
Number of Cases for Illegal Dumping on Public Property





ENVIRONMENT

Percentage of Waste Diverted from Landfill



Factors Contributing to Current Performance

- The existing long-term partnerships with Community Reuse and Recycling companies continue to improve the volume of waste diverted from the landfill.
- The Public Works Department Zero Waste Division expanded collection service to 400+ commercial accounts previously serviced by non-exclusive haulers. Commercial refuse, recycling, and organic volumes increased when Zero Waste began servicing these 440 commercial accounts. The overall increase from CY 2019 to CY 2020 is the result of a change in CalRecycle's reporting methodology.

Factors Restricting Performance Improvement

- The City opted in to a phased Alameda County Mandatory Recycling/Composting Ordinance in 2012 and 2014 with associated outreach/education campaigns. This likely increased recycle/compost participation through 2015. The City has limited staff available to conduct continued outreach and education to Berkeley residents and businesses. Currently, residents divert 65% of their waste into their curbside recycle and compost bins. Businesses and large multifamily properties recycle/compost only 35% of their waste.
- In November 2021, the City opted in to the StopWaste.org ordinance for compliance with CA's SB1383 - Organic Reduction.
- In 2017, the closure of Pacific Steel Castings eliminated 12,000+ of recyclable slag.* This material had previously been included as "diversion" in the City's diversion rate.
- In future years, StopWaste will replace this metric with disposal pounds per person per day.
- Current Transfer Station Facility is not designed or built to expand reuse and recycling services to commercial or residential customers. The proposed alternative is to replace all facilities at 2nd St. The Solid Waste & Recycling Transfer Station Replacement Project Feasibility Study was completed in November 2019. The Council approved plans to proceed with the CEQA process for the Study's two proposed Transfer Station Replacement concepts which are currently scheduled to be completed by December 2023. The final engineering of plans and specifications would be awarded and construction projected in CY 2025-26.

*Slag is a by-product of steel making and is produced during the separation of the molten steel from impurities in steel-making furnaces.



ENVIRONMENT

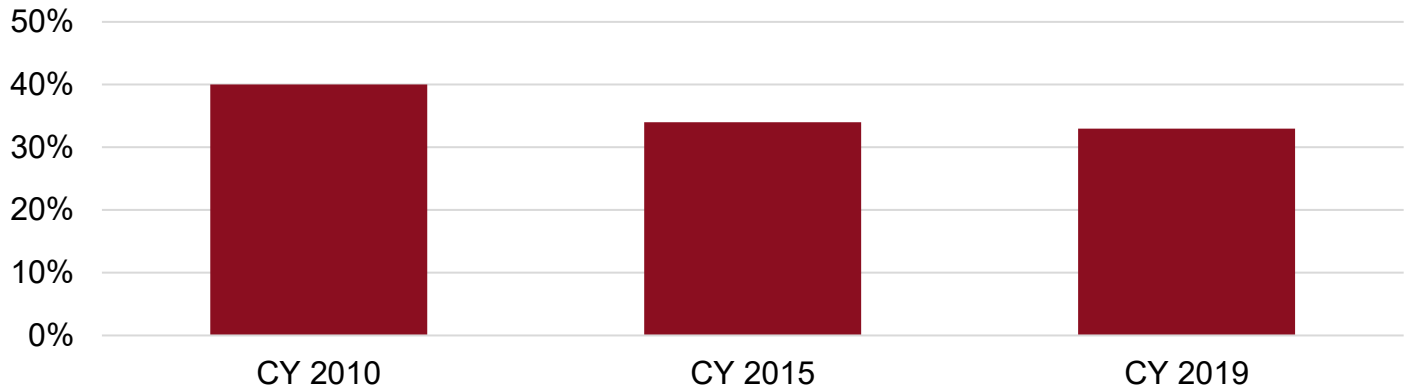
Addressing Measures Not Meeting Target

Measure	Outcome and Analysis	Next Steps
Waste diverted from landfill	The Zero Waste Division continues to support source reduction and reduced recycling and composting through existing and the implementation of new programs, including a recent carpet recycling program and expanded mattress recycling options. However, the City faces many of the same challenges as the rest of the State, as outlined in California's 2019 State of Disposal and Recycling. Due to the plateau in diversion rates and the increase of landfill tonnage countywide, Alameda County StopWaste is considering changing from diversion rate goals to reducing volumes of waste landfilled.	To meet state legislation SB 1383 requirements, Council approved an ordinance opting in to Alameda County's Organics Reduction and Recycling Ordinance (ORRO) in November 2021. Staff is currently working to implement the programmatic regulations of SB 1383 and ORRO that are effective beginning 2022 through 2024.



ENVIRONMENT

Percent of Commute Trips
by Solo Occupant Vehicle




Factors Contributing to Current Performance

- With the City's off-street bike path network nearly complete, the recent addition of protected on-street bikeways and low-stress biking facilities has increased the comfort for people to bike instead of driving. Also, recent safety improvements at many crossings of major and collector streets have made walking and biking easier as a way of taking trips or connecting to transit services. The increased availability of shared mobility options, including short-term rentals through bicycle sharing and car sharing services, has improved the viability of not owning a car for many people.

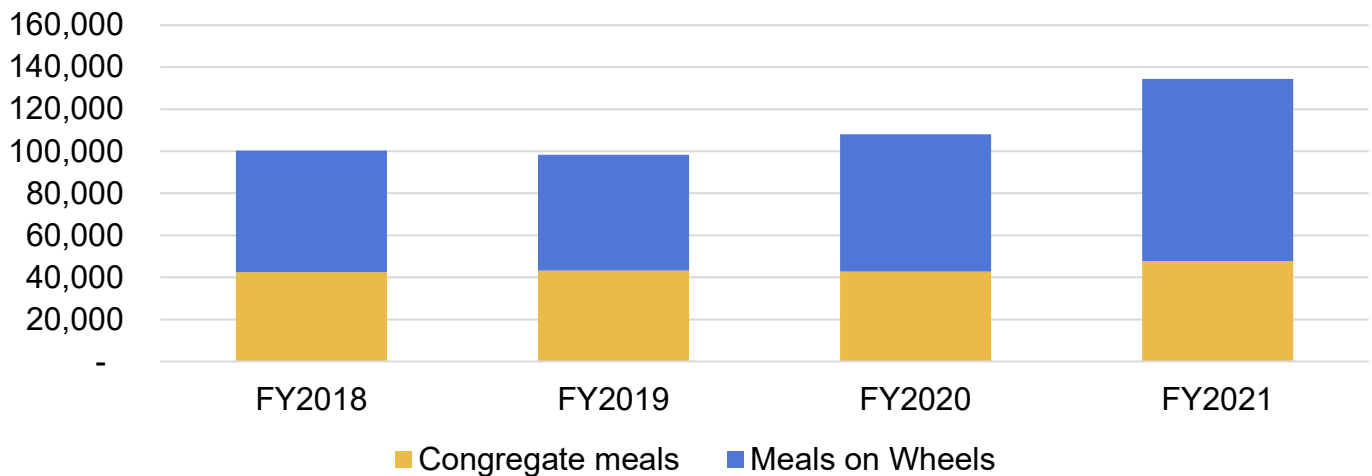
Factors Restricting Performance Improvement

- Changes in transit service sometimes reduce coverage of areas, particularly in the hills, making it harder for people to choose transit instead of driving.



 The data predates the COVID-19 pandemic and resultant increase in work from home. However, this has also led to an avoidance of mass transit and shift to driving alone for more of the remaining commute trips. This phenomenon was observed in 2021 when freeway peak period volumes returned to near pre-pandemic levels even as most office employees were still working either entirely or mostly from home.



Meals Provided by Aging Services FY2018-2021



Factors Contributing to Current Performance

-  Dramatic increase in Meals on Wheels numbers are due to greater number of older adults sheltering in place due to pandemic.
-  Due to home quarantine recommendations that occurred during the first part of FY21, seniors had more limited food access options. Congregate meal delivery to seniors shifted to a combination home delivery and grab & go model. Aging Services was also able to deliver more meals with assistance of other City staff during first part of FY21.

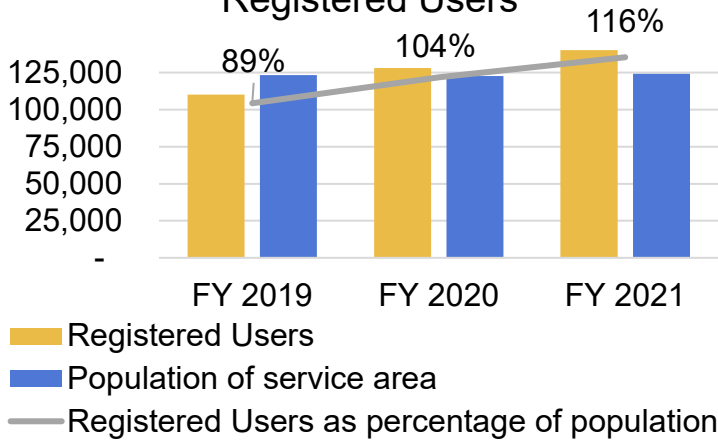
Factors Restricting Performance Improvement

- Provision of meals limited by County funding and Aging Services staffing to pack and deliver meals.



EQUITY

Registered Users



- The Library partnered with Berkeley Unified School District (BUSD) to facilitate easier access by students to some kinds of digital materials. This might have inspired interest in new library card registration. In addition, California residents are eligible for Berkeley Public Library cards.

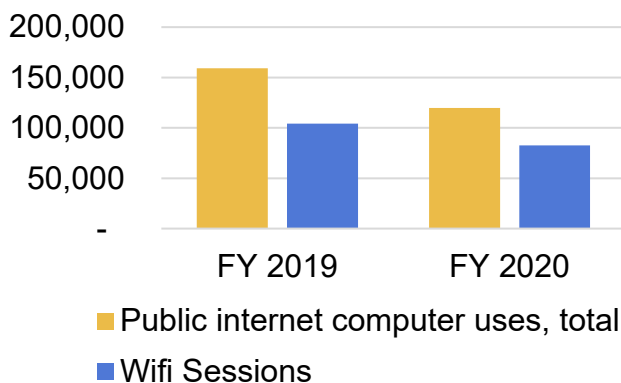
Factors Contributing to Current Performance

- The significant increase in registered users can be attributed to the heightened interest in electronic materials inspired by the public health crisis, and potentially changing demographics.
- The Library launched a temporary eCard program in response to the pandemic that made it easier for people to access electronic and physical materials. This program was discontinued in December of 2021, but this data represents fiscal year 2021 (from July 2020 through June 2021).

Factors Restricting Performance Improvement

- Demand for electronic materials continues to increase, which also drives interest in new library card registration.
- The extent of awareness of library services plays a role in determining registration rates for new records. If people in the community either do not know or experience barriers in completing the registration process, they will not register for new cards. The Library seeks approaches on an ongoing basis to mitigate both concerns.

Access to Technology/Internet



Factors Contributing to Current Performance

- The Library created and offered loan of wifi hotspots and laptops. Also, many people were able to access the Library's public free wifi from outside of the closed buildings.
- During part of the period measured, library and City services were temporarily closed. On-site computer services could not be accessed, except public wifi, which remained available and is accessed frequently from outside the facility. Libraries began to open in May 2021, shortly before the period from which this data is drawn concluded.

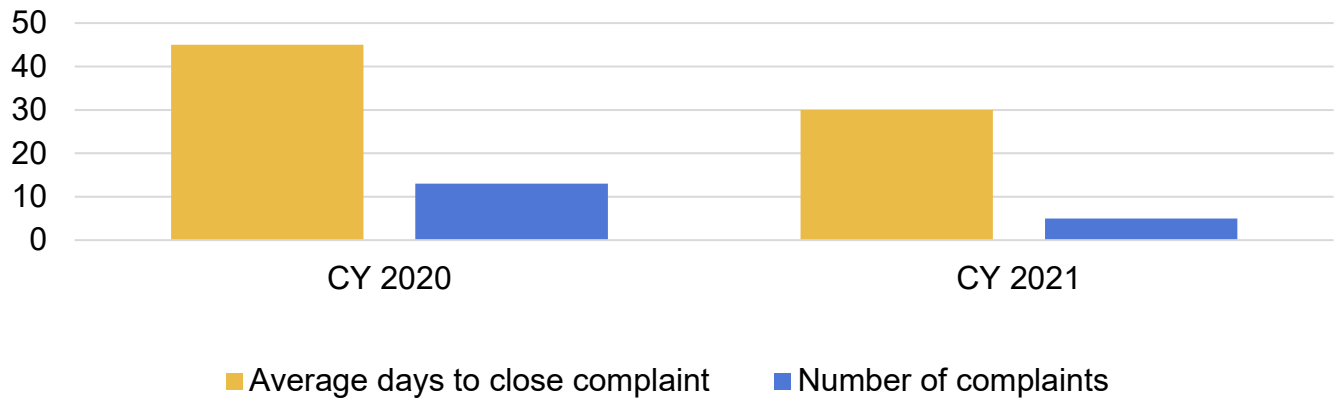
Factors Restricting Performance Improvement

- In FY 2021, library buildings were closed, thus limiting access to use of public computers.



EQUITY

Equal Employment Opportunity (EEO) Complaints



Factors Contributing to Current Performance

- Increased collaboration between EEO and Employee Relations through implementation of a new HR case management system, easier identifying potentially duplicative matters with overlapping allegations.
- Simplified intake process making it easier to resolve issues early on at the department level, particularly if allegations are not rising to the level necessitating a formal investigation.
- Better education of employees and managers/supervisors through EEO Division-led harassment prevention training results in fewer complaints received that are unable to meet jurisdictional threshold.

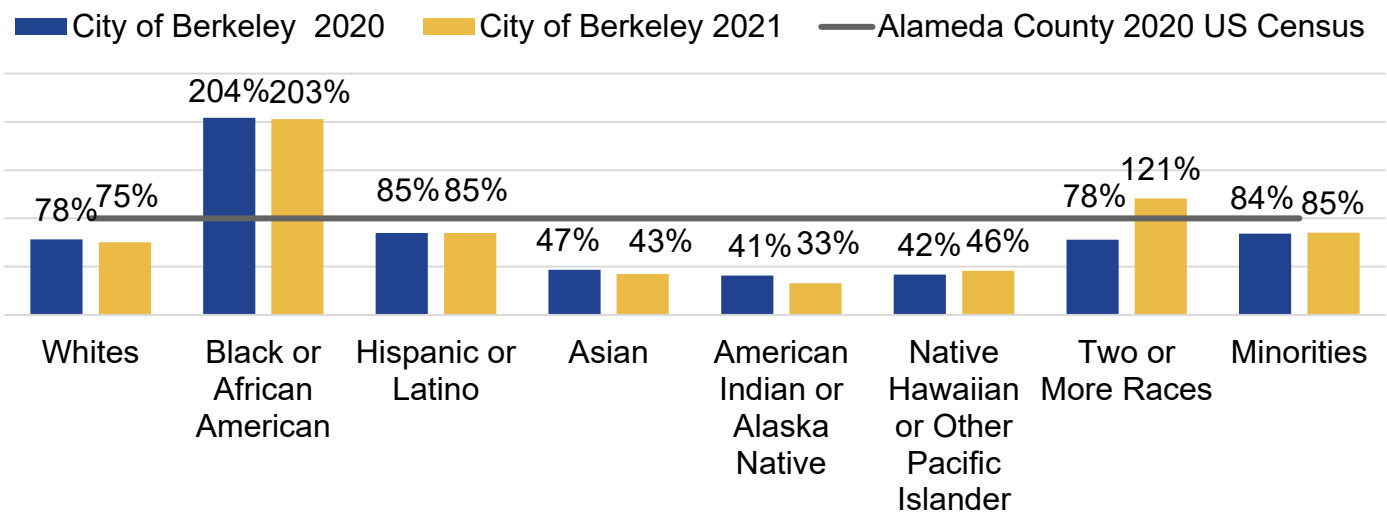
Factors Restricting Performance Improvement

- Federal and state laws require employers are required to conduct an investigation and make a factual determination whenever they become aware of allegations of misconduct that, if true, would violate rules, expectations, or policies.
- The number of complaints received may be tied to workplace risk factors outside of the EEO Division's control (e.g. cultural and language differences, power disparities, discourse outside of work, etc.).
- Need to avoid risk of potential chilling effect on complaint process, duty to identify and eliminate obstacles that might inhibit employees from filing discrimination, harassment, or retaliation complaints.



EQUITY

Work Force Parity Comparison City of Berkeley 2020 & 2021 vs. 2020 US Census, Alameda County



Based on 2020 US Census for Alameda, CA, U.S. Census Bureau QuickFacts: Alameda County, California

Factors Contributing to Current Performance

- Citywide commitment to advancing strategic plan goal of attracting and retaining a talented and diverse City government workforce.
- The racial/ethnic composition of the City and surrounding labor market is very diverse and has high levels of educational attainment.
- Transparency and accountability, workforce demographic trends are monitored by the EEO Division and Personnel Board and published online for the public, prospective job applicants, hiring managers, and City Departments.
- Department level commitment to cultivate and promote a highly qualified and diverse pool of internal job candidates when vacancies open.

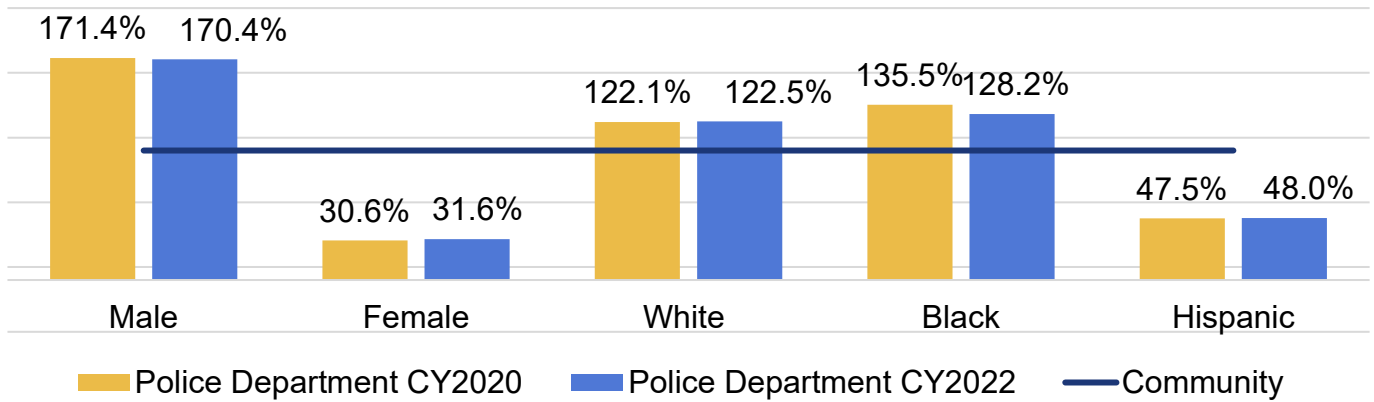
Factors Restricting Performance Improvement

- The civil service or merit system by design limits the ability to promote and hire government employees only to their ability to perform a job without consideration of a protected class status.
- Historical trends resulting in overrepresentation or underrepresentation in certain jobs or fields of work based on race, ethnicity, and/or gender stalling full integration of certain groups across occupations.
- Proposition 209 amended state constitution to prohibit governmental institutions from considering race, sex, or ethnicity, specifically in the area of public employment.



EQUITY

Police Department Demographics Compared to Community



Based on 2020 US Census for Alameda, CA, U.S. Census Bureau QuickFacts: Alameda County, California

Factors Contributing to Current Performance

- Streamlined hiring/background practices allowed the Department to hire the best candidates.

Factors Restricting Performance Improvement

- Police departments overall are predominately made up of men and it is challenging to find women candidates interested in the profession.
- A reduction in the Department’s authorized staffing numbers have affected hiring.
- The law enforcement profession has seen a significant decrease in applications.
- Other City staff saw a reduction in staff which had a direct impact on the Department’s ability to hire.



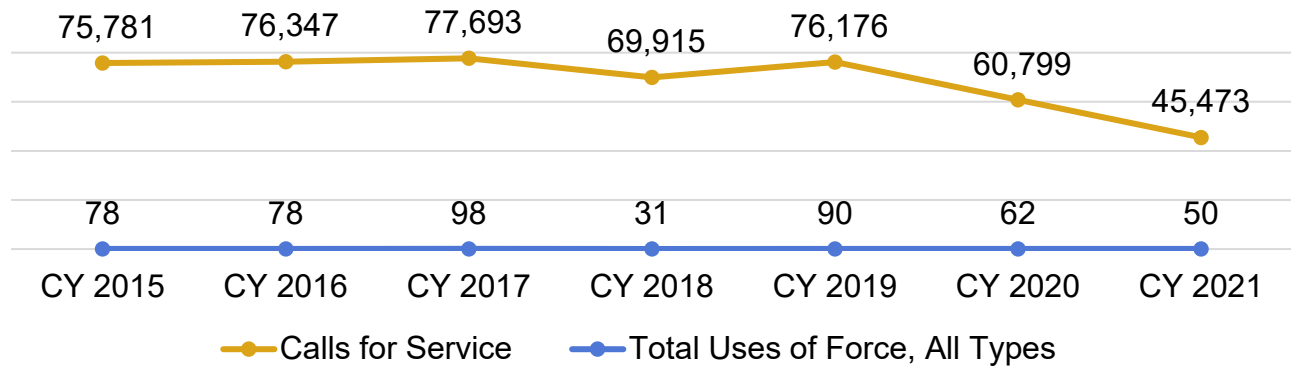
EQUITY

The Berkeley Police Department proudly accomplishes its work with minimal reliance on force through approaches such as de-escalation, awareness of mental health issues, and a culture valuing the dignity and sanctity of human life.

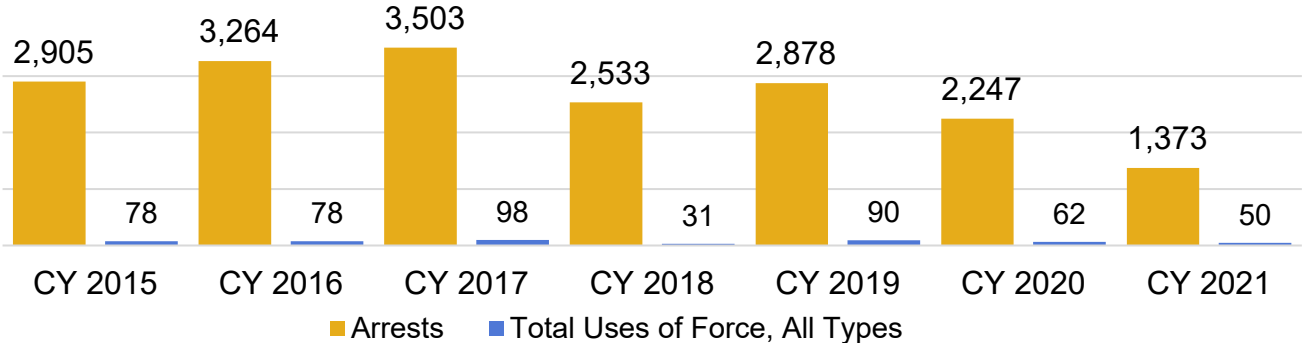
Recently, the Department adopted a higher bar for how it defines and records use of force. The older policy focused on more significant uses of forces involving complaint of pain, injury, or the use of a weapon. The new policy more accurately captures lower levels of force more frequently relied on when officers need to use force—such as grabs, control holds, and the use of leverage or body weight with no injury or complaint of pain. In a given incident, more than one technique may be used to bring a resistant individual into custody, and more than one officer may use force during the incident. As an example, if two officers grab a suspect that is pulling away from them, that would be counted as two uses of force.

OLD REPORTING STANDARDS

Uses of Force in Comparison to Calls for Service



Uses of Force in Comparison to Arrests

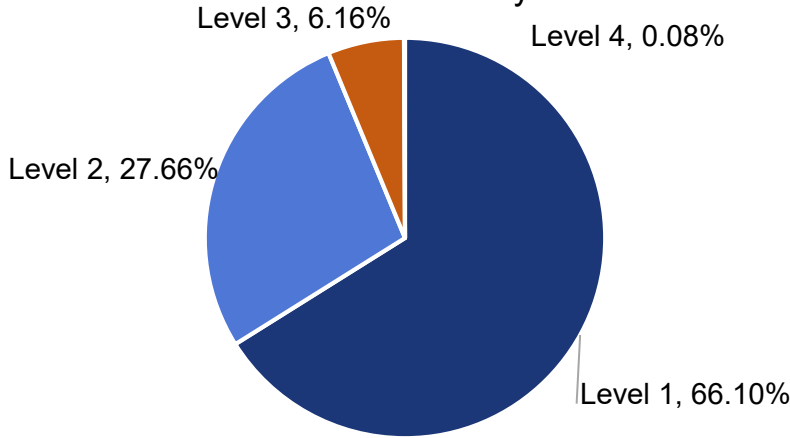




EQUITY

NEW REPORTING STANDARDS

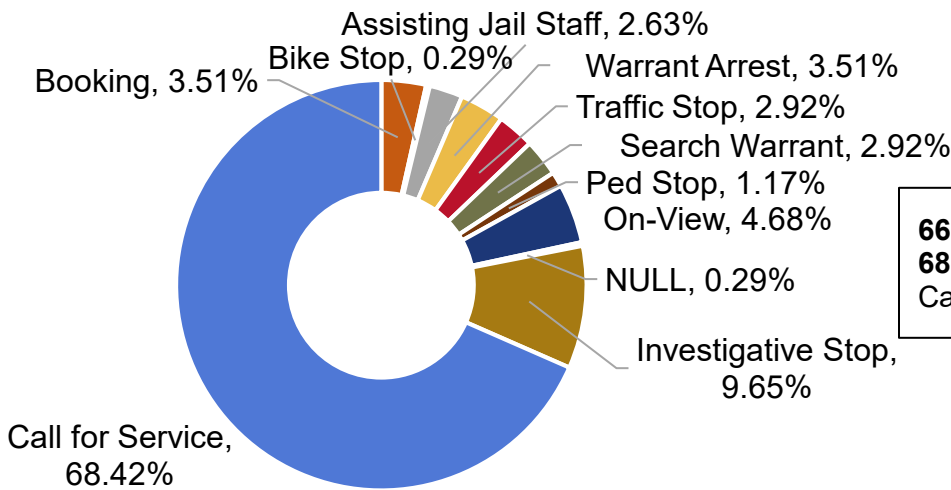
Policy 300 Use of Force Data - 2021



The levels range from 1, the lowest reporting level associated with momentary discomfort to 4, the highest level which is associated with deadly force. Learn more on page 13 of the Use of Force Policy at https://berkeleyca.gov/sites/default/files/2022-05/Use_of_Force.pdf

342 Total Use of Force Incidents
1,186 Total Applications of Force
6% resulted in no injury or complaint of pain
66% Level 1; **94%** Level 1 or Level 2

Reason for Officer Presence



66% Level 1 Use of Force
68% in response to Community Call for Service (CFS)

Factors Contributing to Current Performance

- Higher levels of training especially in the areas of de-escalation have a positive impact.
- Having a variety of available tools and less than lethal options results in safer outcomes for all involved.

Factors Restricting Performance Improvement

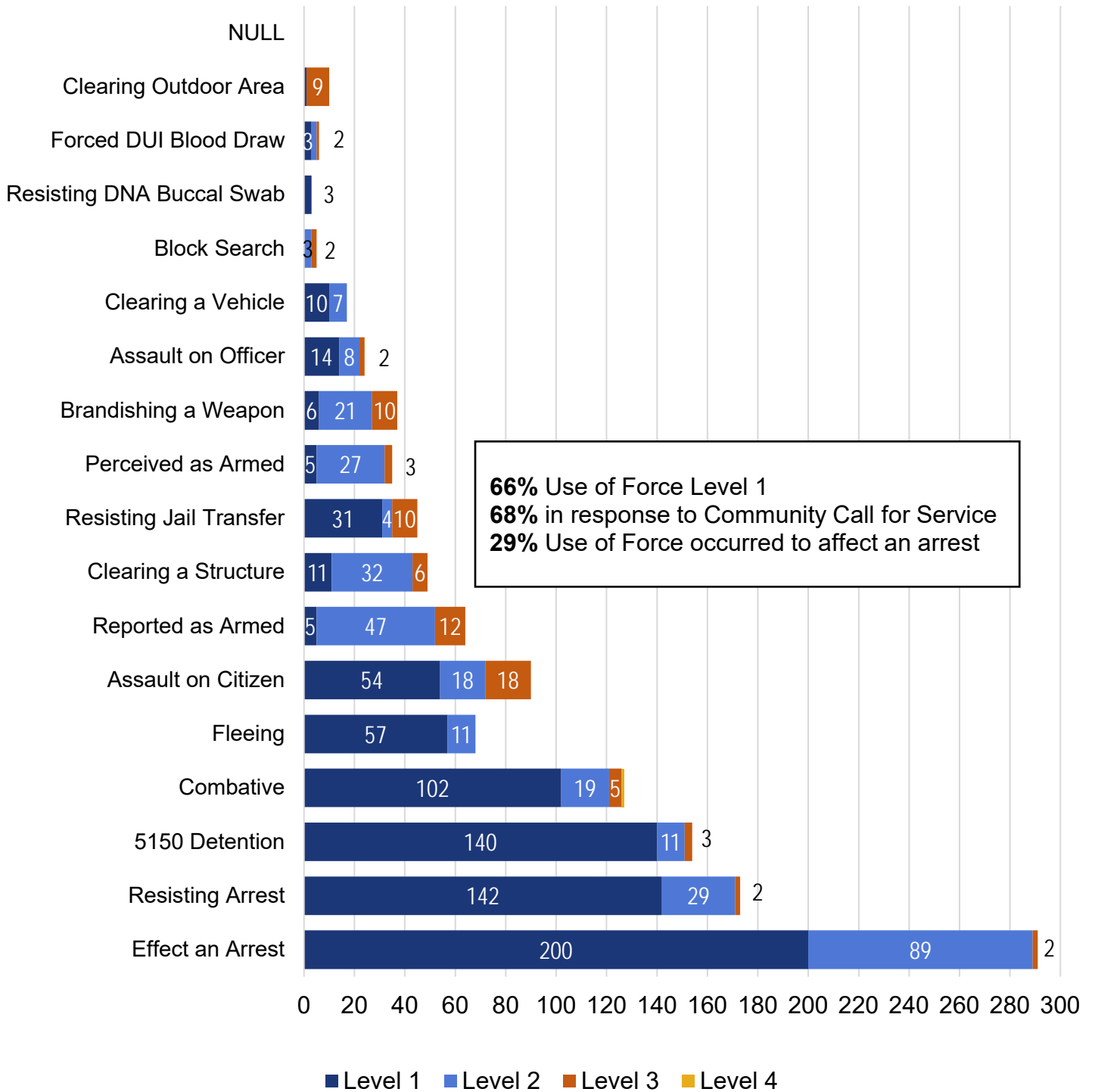
- Officers are required to resolve situations and do not have control over a subject's actions. Police often do not have a choice about when they will be required to use force. If a subject requires police contact and the subject initiates a violent encounter, police may be required to use force to resolve the situation or effect an arrest.
- Lack of some additional less than lethal tools may limit the types of available responses.



EQUITY

NEW REPORTING STANDARDS

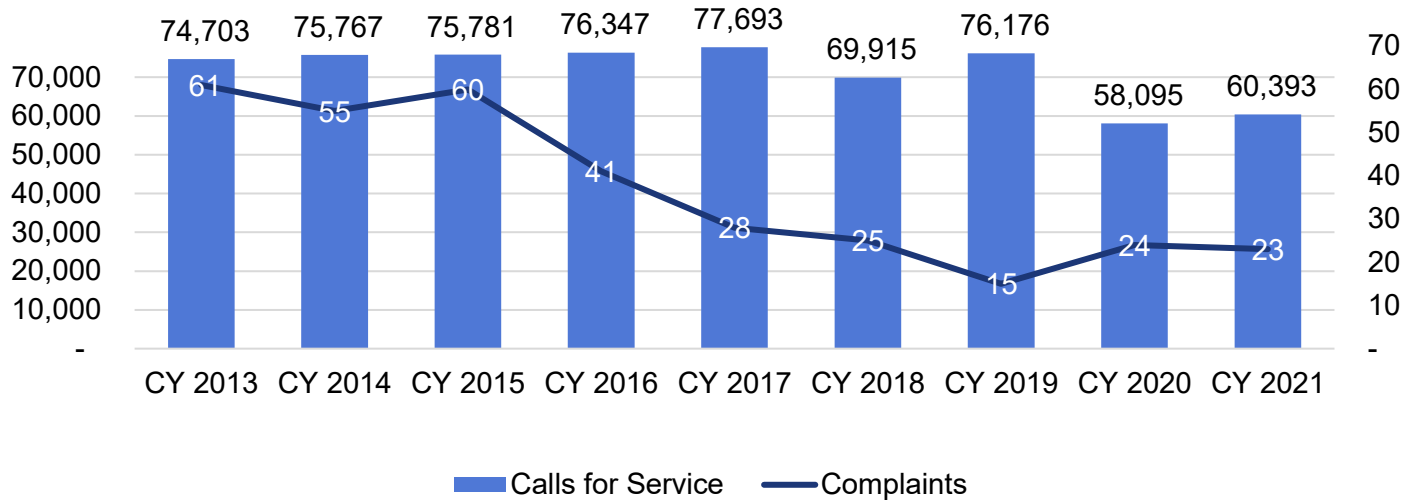
Reason Force Was Used





EQUITY

Complaints in Comparison to Calls for Service



Factors Contributing to Current Performance

- The Berkeley Police Department (BPD) considers meaningful and regular community engagement a vehicle to enhancing community trust. Engagement occurs daily, around the clock as officers interact with the citizens we serve. It also occurs through more organized events, ranging from far reaching public events to focused smaller group interactions. Thought and effort is given to reach many groups within the community including and especially those most in need of services or least familiar with the BPD.
- People who are unhappy with the interaction they had with BPD can file a complaint with BPD's Internal Affairs. These complaints are recognized as a reflection of the way individuals feel about their interaction or the service they received.

Factors Restricting Performance Improvement

- Perception of "police" and "policing" is strongly influenced by media and culture. While any negative perceptions can be mitigated by good interactions, they are difficult to eradicate.
- An individualized complaint may be tied to factors beyond the Police Department's control or be a result of a very particular situation or set of facts, and thus may not directly connect to the experiences or level of trust of the greater community.



FISCAL HEALTH

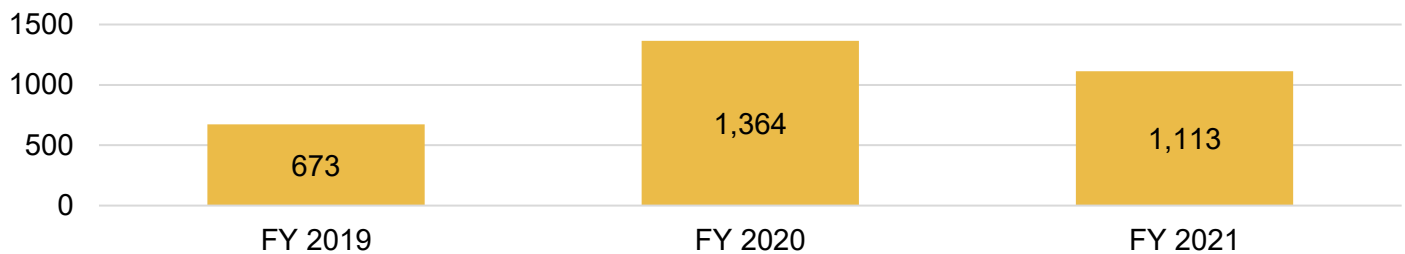
Budget Activities Overview

	FY 14-15	FY 16-17	FY 18-19	FY 20-21	FY 22
<i>Balanced Budget</i>	✓	✓	✓	✓	✓
<i>Received GFOA Award</i>	✓	✓	✓	✓	✘
<i>Issued Unfunded Liabilities Report</i>	✓	✓	✓	✓	n/a*

*The unfunded liabilities report is issued every two years.

726 reports and 549 contracts reviewed for fiscal impact and consistency.

Budget Adjustments



Factors Contributing to Current Performance

- **Balanced Budget:** Working with City departments, Budget and Finance Policy Committee, and Council to prepare a biennial budget where expenditures are equal to or less than anticipated revenues in all funds.
- **GFOA Award:** Having adequate time and staffing to produce the budget document that encompasses the various rigorous GFOA requirements needed to receive the GFOA Distinguished Budget Presentation Award.
- **Unfunded Liability Report:** This report is only prepared on a biennial basis.
- **Budget Adjustments:** Adequate staffing, system training/understanding citywide fiscal staff and time allotted to ensure budget adjustments are performed correctly and within appropriate spending authority.
- **Contract and Report Review:** Adequate staffing and time allotted to ensure that no adverse financial impacts would result from, and that sufficient funding is identified, in relation to any agenda report proposal and contract.

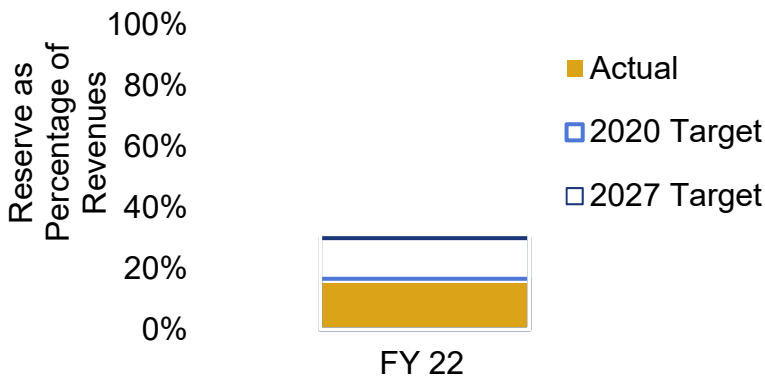
Factors Restricting Performance Improvement

- **For GFOA Award:** Shortened timelines/staff availability due to competing priorities and staff vacancies led to not applying for the Awards Program.



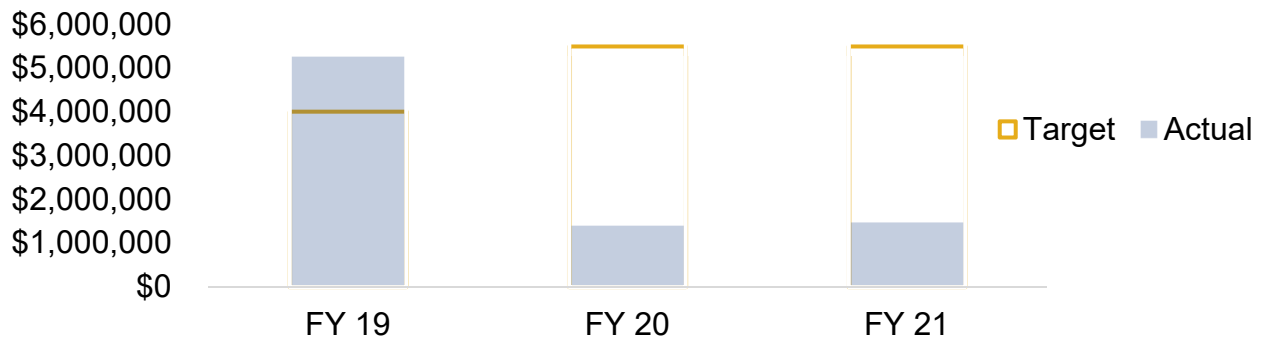
FISCAL HEALTH

Health of General Fund Reserves



The majority of performance measures in this report are things the organization itself directly impacts and for which staff can answer “how much did we do, how well did we do it, is anyone better off”. On this page are some fiscal measures that staff does not have a direct impact on, but are equally important and provide context.

Section 115 Trust Contributions



Factors Contributing to Current Performance

- The ongoing COVID-19 pandemic impacts on the economy and the City’s revenues, as well as the additional services and funding needs triggered by the City’s response to COVID-19, have drawn down on the General Fund and included use of reserves.
 - The City was able to refinance some of its debt and the savings from that refinancing were used as the original seed money for the Section 115 Trust.
 - The City found an innovative way to contribute to this Trust. The City Manager approved the pre-funding of the City’s Unfunded Liability piece of its premium. Prefunding allows the City to make a rate of return on the investment and then adds the savings to the Trust.

Factors Restricting Performance Improvement

- The nature of the pandemic is ongoing and will require significant resources even during recovery. This limits the amount of available excess equity, inhibiting the City’s ability to fully contribute to these items.
 - Although the City has found innovative ways to contribute to its Section 115 Trust, it is still falling short of its targeted contribution level. The Section 115 will be a valuable resource in aiding the City to effectively maintain operations and services while confronting soaring pension costs.



FISCAL HEALTH

City Portfolio Overview

	FY 2020	FY2021
<i>Total cash and investments</i>	\$596,640,057	\$660,517,110
<i>Rate of return, pooled</i>	1.87%	0.97%
<i>Rate of return, trust</i>	3.17%	4.23%
<i>Meeting safety, liquidity, & reasonable return requirements</i>	✓	✓

Factors Contributing to Current Performance

- These include macro-economic activity, interest rates, inflationary pressures and investment confidence.

Factors Restricting Performance Improvement

- Cash and investments are subject to City Council restrictions and statutory limitations.

Financial Reporting

	FY 2020	FY 2021
<i>Meet statutory publication date for Annual Comprehensive Financial Report</i>	x	✓
<i>Receive no audit findings</i>	✓	✓

Factors Contributing to Current Performance

- For financial reporting (i.e., audits, annual comprehensive financial report) the implementation of a new financial system contribute to current performance.

Factors Restricting Performance Improvement

- The lack of adequate resources can restrict performance improvement.



FISCAL HEALTH

Purchasing Overview

	FY 2020	FY 2021
<i>Noncompliant, returned</i>	10%	4%
<i>Partially compliant, require review</i>	20%	0%
<i>Total purchase orders, count</i>	4,968	4,129
<i>Total purchase orders, amount</i>	\$206,961,915	\$155,828,129

Factors Contributing to Current Performance

- The city implemented a new financial system in 2018 which streamlined procure-to-pay processes. The system provides purchasing staff with visibility of required documentation, and the ability to reject and return non-compliant requisitions, and to communicate efficiently with the departments submitting requisitions.
- Reporting capabilities in the new system are enhanced compared to the old system, and provide for easy access to the count, amount, and status of requisitions, purchase orders, and contracts.
- Staff provided internal training on requisitioning procedures.

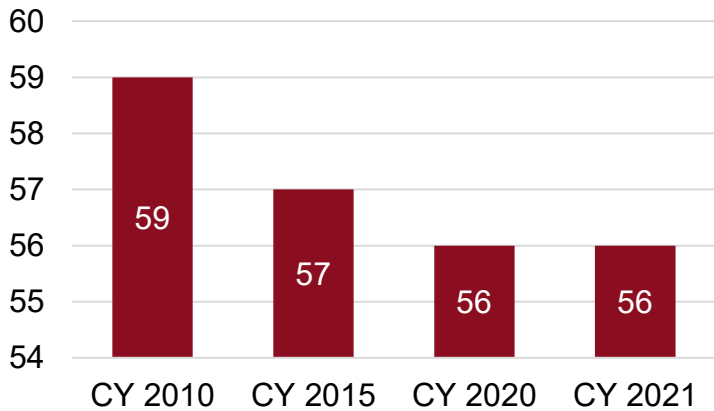
Factors Restricting Performance Improvement

- There are certain requisitions that require special handling.
- Staff turnover in requisitioning departments can affect performance improvement. For example, newer staff may not have experience or training on requisitions. The Finance Department's General Services Division provides training but it may lag behind the initial onboarding of new staff.



INFRASTRUCTURE

Pavement Condition Index (PCI)



Factors Contributing to Current Performance

- Between FY 20-21, Public Works paved 18.6 miles. Public Works was able to increase the amount of annual paving due to funding from Measure T1 and leveraging existing funding by cost sharing with East Bay Municipal Utilities District (EBMUD) and Pacific Gas & Electric (PG&E) to pave segments of Ellsworth, Stuart, Blake, Parker, and Mathews.

Factors Restricting Performance Improvement

- Improving the Pavement Condition Index requires significant additional funding as identified in the recent Auditor's Report entitled Rocky Road: Berkeley Streets at Risk and Significantly Underfunded. Deferred maintenance continues to impact the current condition and increase the costs of future repairs.

Addressing Measures Not Meeting Target

Measure	Outcome and Analysis	Next Steps
PCI	The Paving Condition Index (PCI) is utilized throughout the nation to indicate the condition of the pavement of the streets. The current city-wide average Pavement Condition Index (PCI) is 56, ranging from 52.8 to 61.9 across council districts. The average PCI is down from 58 in 2019.	<p>Improving the City's streets and roads continue to be a severely underfunded need. Public Works is investing \$26.3 million in repaving funds, including \$6.75 million in Measure T1 funds over the next two years. However, the lack of resources available to the Paving Program is resulting in a continual decline in the condition of the City's streets.</p> <p>As part of the FY 2023-2024 budget process, the Public Works Department is asking that City Council secure an additional \$8 million per year just to maintain our street conditions and prevent further decline from their "at risk" state. Also, in June 2022, the Public Works Department will present Council information on options to bring forward an infrastructure-focused revenue measure on the November ballot.</p>



LOCAL ECONOMY

Payment Requests

	FY 2020	FY 2021
<i>Noncompliant/requiring additional review</i>	20%	5%
<i>Total payments, count</i>	91,428	87,626
<i>Total payments, amount</i>	\$407,577,485	\$513,637,408

Factors Contributing to Current Performance

- The City implemented a new financial system in 2018 which streamlined procure-to-pay processes. The system provides accounts payable staff with visibility of required documentation, and the ability to reject and return non-compliant payment requests, and to communicate efficiently with the departments submitting payment requests.
- Reporting capabilities in the new system are enhanced compared to the old system, and provide for easy access to the count, amount, and status of payment requests.

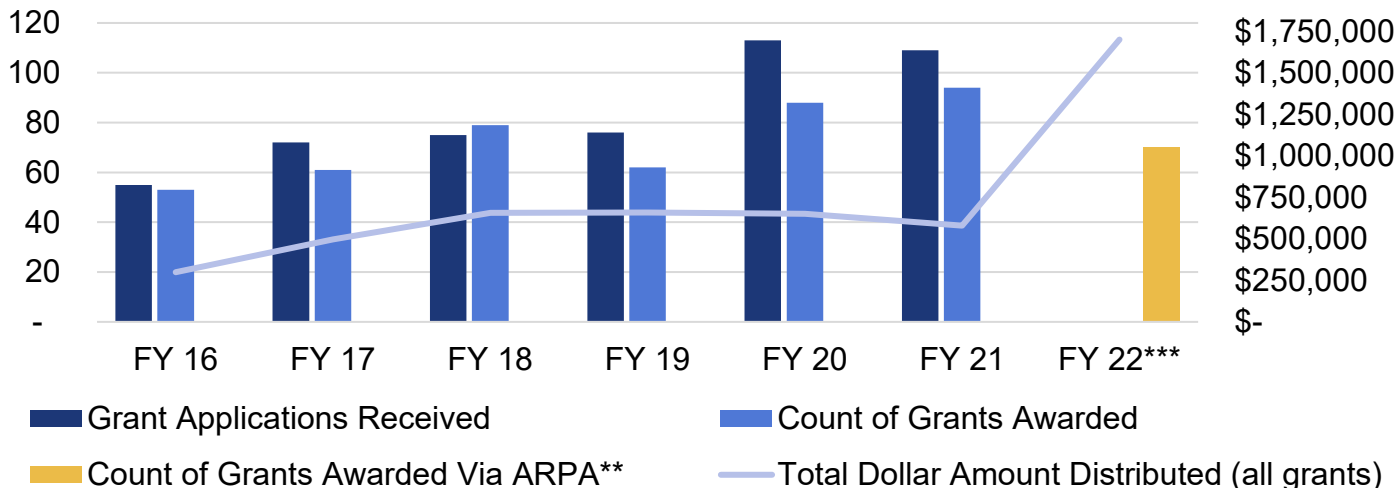
Factors Restricting Performance Improvement

- There are certain payment requests that require special handling.
- Staff turnover in requesting departments can affect performance improvement.



LOCAL ECONOMY

Arts and Culture Grants



**City Council approved funds for Berkeley Arts Relief Grants with equity-centered criteria aligned with American Rescue Plan Act (ARPA) guidelines.

***With the exception of Berkeley Arts Relief Grants (ARPA funded), the arts and culture grants cycle has moved to a two-year cadence, the next application window will open in the fall of 2022.

Factors Contributing to Current Performance

- Professionalized grant review program with transparent scoring, professional grant review panelists, and a streamlined application program.
- The program is moving towards a two-year grant cycle, which will allow applicants to plan budgets and design programs with more longevity and efficiency.

Factors Restricting Performance Improvement



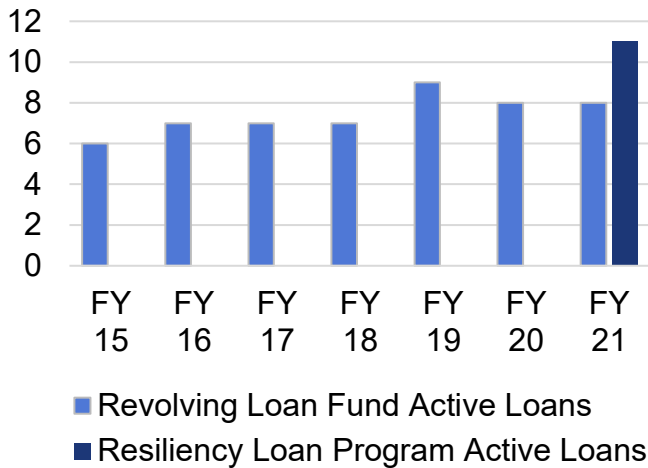
COVID-19’s impact on the arts and cultural sector will mean that demand will likely far outstrip supply of grant monies.

- Limitations of the current contracting and invoicing/payment systems can make processing grant payments cumbersome to staff, and not as timely to recipients.



LOCAL ECONOMY

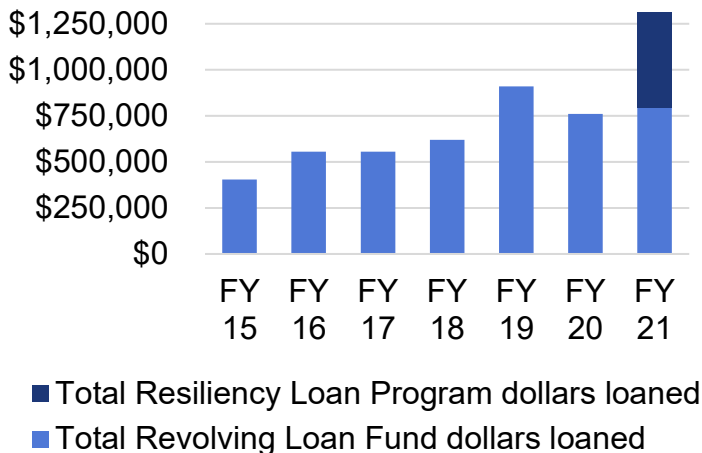
Active Loans



Factors Contributing to Current Performance

- Changes to the Revolving Loan Fund (RLF) Administrative plan allowed for larger loans to be offered, with corresponding impact to jobs retained and created.
- Active marketing of RLF loans and a professionalized underwriting system have increased program efficiencies.
- Transitioning to an online application intake process has made the program more attractive to many potential Berkeley RLF program applicants.

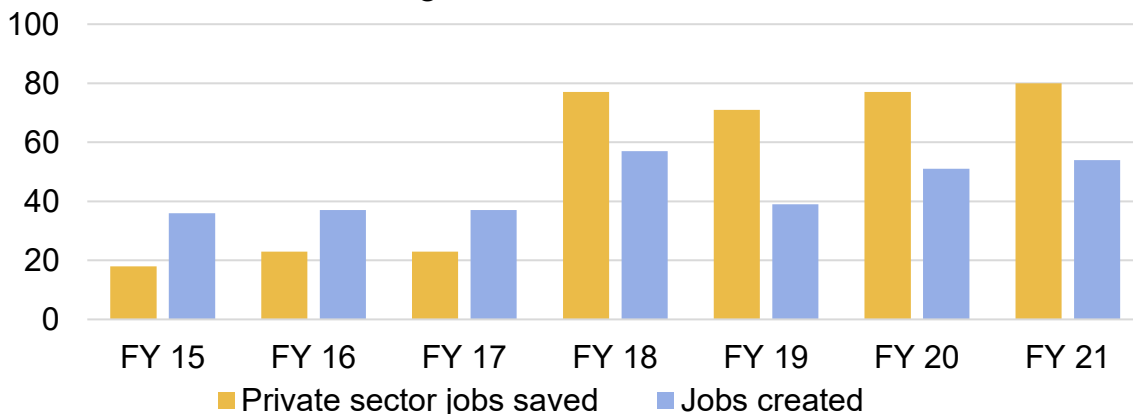
Total Dollars Loaned



- COVID-19's impact on the small business sector will mean that demand for financial support will likely far outstrip supply of loan monies. However, staff has been able to use leverage other funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to establish a second loan fund (Resiliency Loan Program [RLP]) and provide additional technical assistance to RLP program participants.
- Limitations of the current contracting, loan servicing and payment systems, can make processing loan payments cumbersome to staff, and loan disbursement not as timely to recipients.

Factors Restricting Performance Improvement

Revolving Loan Fund and Jobs



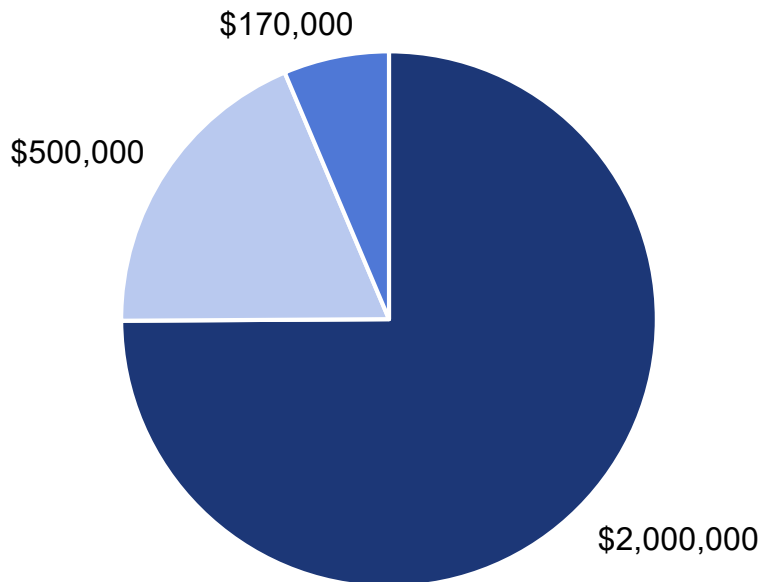


LOCAL ECONOMY

Pandemic Recovery Funds

- ✓ City Council awarded American Rescue Act (ARPA) Funds on June 30, 2021.
- ✓ Office of Economic Development disbursed \$500,000 to Visit Berkeley (Conventions and Visitors Bureau) to support the visitor and tourism sector.
- ✓ Office of Economic Development developed the grant program *Berkeley Arts Relief Grants* with equity-centered criteria, aligned with American Rescue Act guidelines. The effort involved creating an application, guidelines, working with the Civic Arts Commission, reviewing and scoring 75+ applications. 74 grant awards ranging from \$3,000 to \$33,000 with an average grant size of \$20,734 per organization were disbursed in February of 2022.
- ✓ With CARES Act funds, established an additional loan fund (the RLP), to provide direct assistance to Berkeley's businesses. This program was supported with additional ARPA funds dedicated to offering technical assistance to program participants to keep them thriving in Berkeley.

American Rescue Plan Act (ARPA) Funds



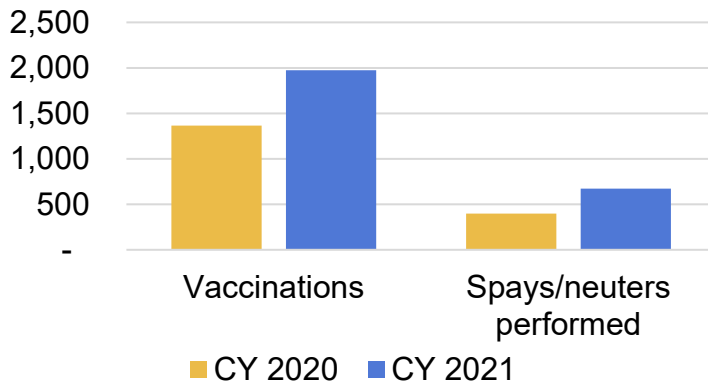
■ Arts & Culture Organizations ■ Visitor and Tourism Sector ■ Small Business Support



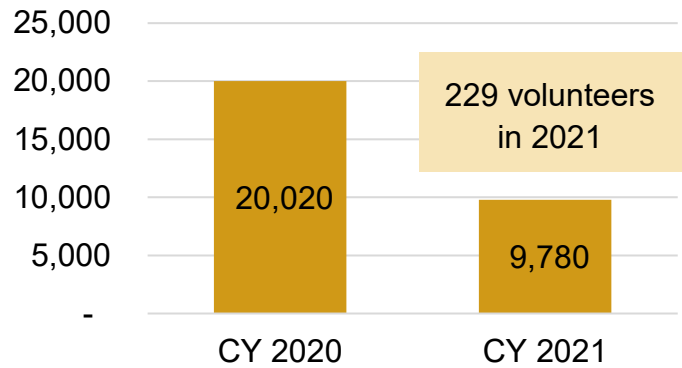
RESILIENT

Animal Care Services

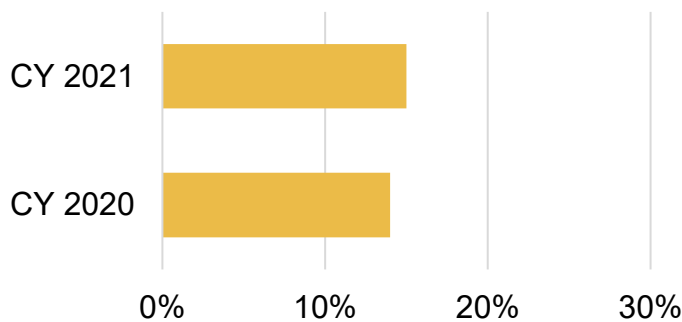
Vaccinations and Spays/Neuters



Volunteer hours



Foster rate



Factors Contributing to Current Performance

- Berkeley Animal Care Services (BACS) has made vaccines available to public animals that were brought in for sterilization, and made sterilization available to publicly owned animals. This has contributed to the increased vaccine and spay/neuter performance.
- BACS offers a robust volunteer program that allows volunteers maximum access to the shelter.

Factors Restricting Performance Improvement



Reduced volunteer access to shelter due to COVID shelter-in-place eliminated volunteer opportunities and thus reduced hours.

- Fostering is practical for a limited and predictable number of people, which tends to keep these numbers relatively stable.

Addressing Measures Not Meeting Target

Measure	Outcome and Analysis	Next Steps
Volunteer hours	The Animal Shelter was closed to volunteers for the first six months of 2021 due to COVID.	The Animal Shelter is now open and accessible to volunteers.



RESILIENT

Homeless Response Team



Shelter uptake rate.....	39%
Average tonnage/pounds of debris removed.....	27,453 pounds/month
Average storage notices provided.....	6 notices/month
Average number of violation notices provided.....	9 notices/month
Average number of encampment enclosures performed.....	3 closures/month



Factors Contributing to Current Performance

- The Council's creation of the Homeless Response Team with a FY 2022 budget allocation has enabled the creation of an inter-departmental team with staffing and equipment available on a regular/predictable schedule, which has accelerated the pace of the work.
- The creation in CY 2021 of the Horizon Transitional Village Program shelter (50 beds) and the Safe Parking And Respite Kickstart (SPARK) program (40 RV parking spaces) has enabled staff to bring people out of encampments and into safer places, which has allowed us to close 10 encampments and significantly reduce the footprint of RVs parked throughout the City.

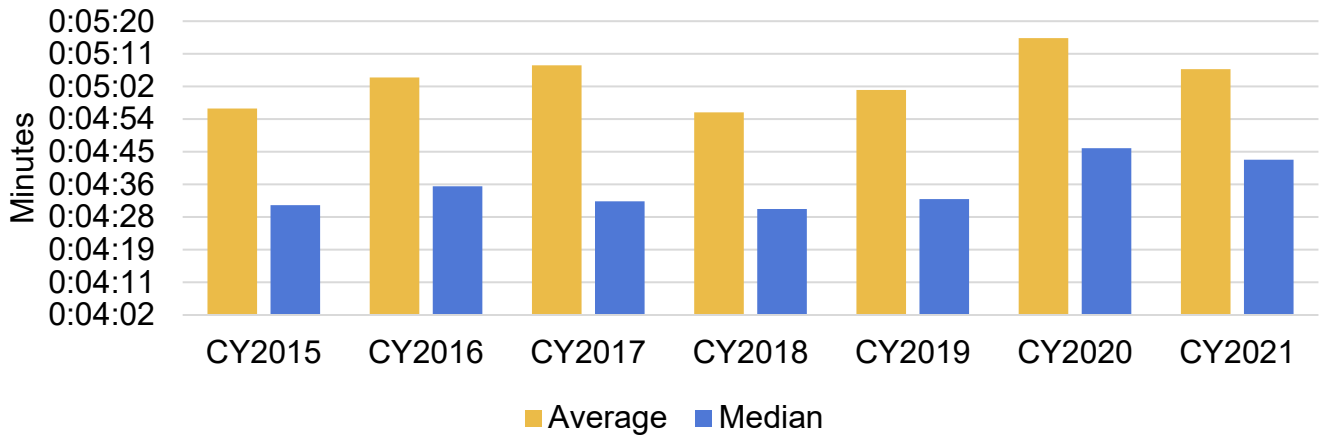
Factors Restricting Performance Improvement

-  COVID has limited the number of available shelter beds, as some beds needed to be taken offline to allow for CDC physical distancing compliance. Spaces at SPARK and Horizon are now nearly full. Most of Berkeley's shelter beds are in congregate settings, and COVID has also affected the willingness of some unsheltered people to use congregate shelter.
-  Federal case law prevents encampments from being closed unless everyone in the encampment is given a shelter offer. Because of the limited number of beds available due to COVID, there are very few shelter vacancies in the system at any given time, which limits performance.
- Regular data collection for storage notices and violation notices began in November, so these figures provide an incomplete picture of the work. Staff anticipates more robust data in CY 2022.



RESILIENT

Call Response Time



Note: Response time is the time interval from the first unit assigned to the first unit arrived.
Note: The chart reflects a possible underreported response time. The department is currently undergoing an in-depth Standard of Coverage analysis and reassessing criteria for response time.

Factors Contributing to Current Performance

- Although the chart shows a slight improvement from Calendar Year (CY) 2020 to 2021, it possibly reflects an underreported response time due to data discrepancies.
- The Fire Department with the assistance of an outside contractor, Citygate Associates, LLC, is currently undergoing an in-depth Standards of Coverage (SOC) analysis of its response time to understand best practice, how it performs against that best practice and the contributing factors to any deficits. The SOC analysis will provide a more detailed analysis of data and uncover more concrete causal factors to help drive specific actions with the ultimate goal to help reduce emergency response time to the community.

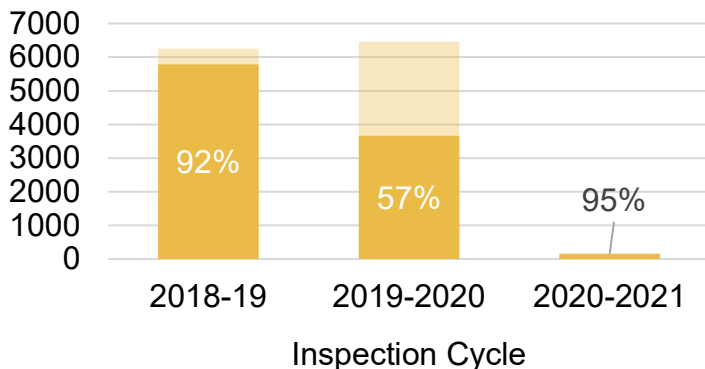
Factors Restricting Performance Improvement

- Inadequate staffing.
- Multiple response time metrics and standards lead to inconsistent performance expectations.
- The need to develop best practices, supported by consistent data, to identify a baseline response time.
- The lack of modern fire/emergency medical service dispatching software.



RESILIENT

Fire Prevention Inspections



- Number of scheduled inspections completed
- Total number of scheduled inspections

Note: The inspection year typically runs from August through June. In 2020-2021, only State-mandated inspections were completed.

Factors Contributing to Current Performance



In CY 2020 and 2021, the COVID-19 pandemic led to the suspension of the program; thereby reducing inspections. The program suspension extended through the beginning of CY 2022, reducing the available inspection window from approximately nine months to five months. The outcome was a backlog in inspections.

- In CY 2021, ongoing staffing challenges within both the Operations and Fire Prevention Divisions allowed for only certain state-mandated annual 'maintenance' fire inspections to be performed. These inspections were typically high-risk occupancies with greater probability of life safety hazards or vulnerable occupant populations such as educational, institutional or high-rise facilities.

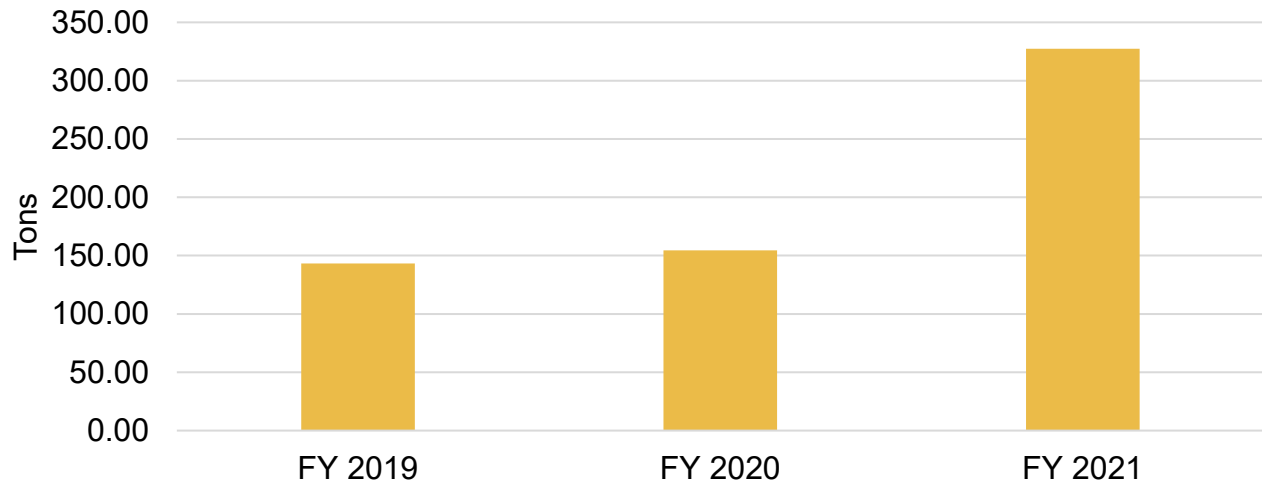
Factors Restricting Performance Improvement

- Staffing challenges are the primary cause for restricting or impeding performance improvement. Berkeley is comprised of varied occupancies and properties, and most require inspections. Multiple residential occupancies of 3 or more units, commercial properties, homes in the hazardous fire areas, vacant lots, lots under construction and parking lots are subject to annual fire inspections. Adequate staffing consisting of Operations or Fire Prevention Division staff (or a combination of resources), who have access to efficient inspection software via mobile devices is the best way to meet the inspection goals of the Department. In response to the demands for annual inspections, the Department is in the process of hiring additional staff.
- Once additional staffing is secured and trained and efficient inspection hardware and software adjuncts can be assessed, it will be possible to assess the level of agreement between the inspection mandates imposed at local and State levels and the inspection staffing level currently proposed. Ultimately, if the resources available to perform inspections cannot be made to match the mandated workload, it may be necessary to reevaluate the inspection workload that is within local control and modify the scope and/or frequency of locally mandated inspections.
- Properties with difficult access, changes in property ownership or contact addresses being inconsistently updated from County and City records, and inconsistent communication with property owners make follow up on inspections difficult to ensure correction of violations.
- Fire Suppression companies are necessary to complete the majority of inspections throughout the City. Demands on their time (emergency calls for service, training, etc.) are ongoing factors that impede 100% completion of scheduled inspection.



RESILIENT

Fire Fuel Debris Removed



Factors Contributing to Current Performance

- Fire fuel budget allocations from the General Fund over the last 4 years have enabled Parks staff to remove fire fuel (hazardous trees and vegetation) and reduce fire risk in the hills in parks, pathways and near private property.

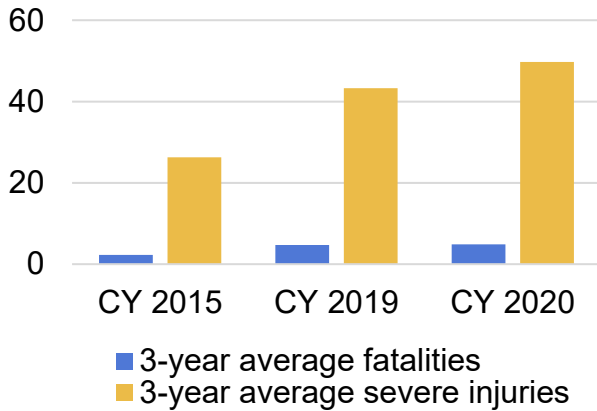
Factors Restricting Performance Improvement

- Continued annual allocations are needed to mitigate fire risk to remove hazardous trees and ladder fuels (i.e., brush/vegetation), which require annual maintenance and clearing.



RESILIENT

Three Year Average of Fatalities and Severe Injuries on City Streets



Factors Contributing to Current Performance



There has been an ongoing effort to improve traffic safety, which led to the March 2020 adoption of the Vision Zero Implementation Plan to eliminate severe injury and fatal traffic crashes by 2028. The annual Traffic Calming program was temporarily replaced with the Healthy Streets program in 2020 as a response to the COVID-19 pandemic. Healthy Streets employed barricades and signage to regulate motor traffic on some of the existing Berkeley Bicycle Boulevards in order to provide streets with very low motor traffic volumes so that people could walk, bike, and travel outdoors while having the street space needed for physical distancing.

Factors Restricting Performance Improvement



The Vision Zero Action Plan was adopted one week before the start of the COVID-19 Shelter in Place public health order, and as a result many of the proposed action items that required public meetings, committee formation, and collaboration had to be put on hold. The pandemic also caused motor traffic volumes to decrease dramatically in 2020. This significant reduction in traffic congestion resulted in greater and more frequent motor vehicle driver speeding*. Concurrently, there was a decrease in pedestrian and bicyclist activity on major streets, as many people shifted to working from home and receiving home deliveries of groceries and retail goods. This may have resulted in increased risk for people who were still walking and biking on these streets due to the relative lack of visibility in smaller numbers.

*https://www.nhtsa.gov/sites/nhtsa.gov/files/2021-10/Traffic-Safety-During-COVID-19_Jan-June2021-102621-v3-tag.pdf

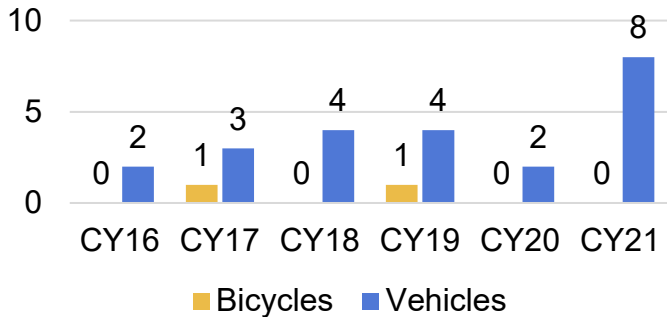
Addressing Measures Not Meeting Target

Measure	Outcome and Analysis	Next Steps
Three-year average of fatalities and severe injuries on City streets	The three-year average of fatalities and severe injuries on the City's streets has continued to rise.	The implementation of the 2020 Vision Zero Action Plan will continue to move forward through the initiation of Vision Zero Coordinating Committee meetings, completion of Vision Zero design guidance for "quick-build" projects to increase timeliness of delivery of traffic safety projects, the development of a Vision Zero public communications campaign, and increased rapidity of crash data analysis. In addition, the delivery of Vision Zero capital projects will continue throughout the City, with projects currently in the design phase together valued at well over \$10 million.

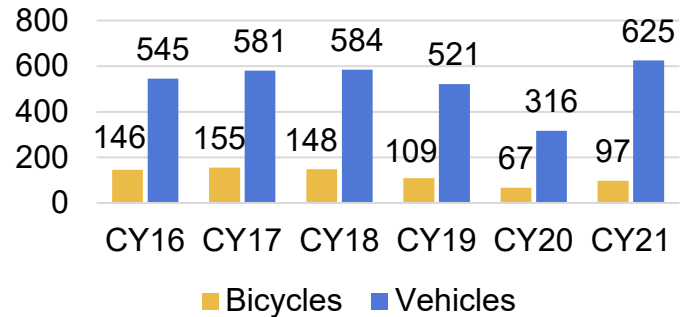


RESILIENT

Deaths Relating to Bicycles or Vehicles



Accidents Relating to Bicycles or Vehicles



Factors Contributing to Current Performance

Since shelter in place restrictions have mostly lifted, travel has increased on roadways. Shelter in place (SIP) orders meant drivers weren't driving as frequently leading to less proficiency. Also, DMV postponed driver license renewals and tests throughout the SIP. Post COVID driving behavior has led to drivers taking more risks behind the wheel.

Factors Restricting Performance Improvement

COVID related absences, injuries and staffing shortages have reduced the number of available personnel to conduct traffic enforcement and community awareness operations.

- Decreased visibility on the roadways has emboldened dangerous driving behavior.

Addressing Measures Not Meeting Target

Measure	Outcome and Analysis	Next Steps
Deaths and Accidents Relating to Bicycles or Vehicles	With increased travel after a year or more of less time on the roads (e.g., with shelter in place), drivers and bicyclists may have lowered proficiency. Also, many have observed an increase in risky driving behaviors.	<p>The Berkeley Police Department is addressing these safety issues with a multi-pronged approach:</p> <ul style="list-style-type: none"> researching programs utilizing grant funding to support enforcement, policies, and practices that promote safe bicycling; applying for the Age Well, Drive Smart grant to provide an education program to help seniors tune up their driving skills, refresh their knowledge of the rules of the road, and discuss normal, age-related physical changes and how they affect driving ability; and using grant funding to support enforcement of unsafe driving behaviors and develop educational campaigns.



SERVICE

Records and Communications

	CY 2020	CY 2021
<i>City Council Legislative items</i>	962	966
<i>Contracts</i>	497	496
<i>Resolutions</i>	441	194
<i>Minutes</i>	195	154
<i>City Council Communications Packets</i>	145	154
<i>Ordinances</i>	65	47
<i>Contract extension letters</i>	47	103
<i>Certificates of liability insurance</i>	4	7
<i>Acceptance of work orders</i>	2	14
<i>Election results</i>	1	0
<i>Voter information pamphlet</i>	1	0
<i>Records indexed to the public portal, total</i>	2,360	2,570
<i>City Council Communications received by City Clerk</i>	4,685	4,086

Factors Contributing to Current Performance

- Use of Electronic Document Management System (OnBase) for records repository to enhance access to records.
- Staffing levels are adequate to meet the level of service required.

Factors Restricting Performance Improvement

- Expansion of digital records program is dependent on staffing, funding, and technology capacity.
- Funding for the Paperless Contracts Project in FY 2023-2024 will be essential to increasing efficiencies and allowing staff to meet baseline responsibilities.
- Implementation of an electronic records management policy and certification of a Trusted Environment to store electronic records would improve efficiency and recordkeeping throughout the City, but have implementation costs and staffing needs required.
- The current process of compiling communications from the public is primarily a manual process that is time intensive, however, this process accommodates all types of communications, including handwritten and hard copy communications.



SERVICE

Meetings

	CY 2020	CY 2021
<i>City Council</i>	81	84
<i>Agenda and Rules</i>	25	27
<i>Budget and Finance</i>	19	23
<i>FITES⁴</i>	11	12
<i>Health, Life Enrichment, Equity, and Community</i>	10	3
<i>Public Safety</i>	7	6
<i>Land Use, Housing, and Economic Development</i>	6	15
<i>Independent Redistricting Commission</i>	-	24
<i>City Council and Policy Committee meetings administered, total</i>	159	170

Factors Contributing to Current Performance

- Use of Zoom videoconference platform has allowed the City's legislative process to continue and provided for public engagement in meetings during the pandemic.

Factors Restricting Performance Improvement

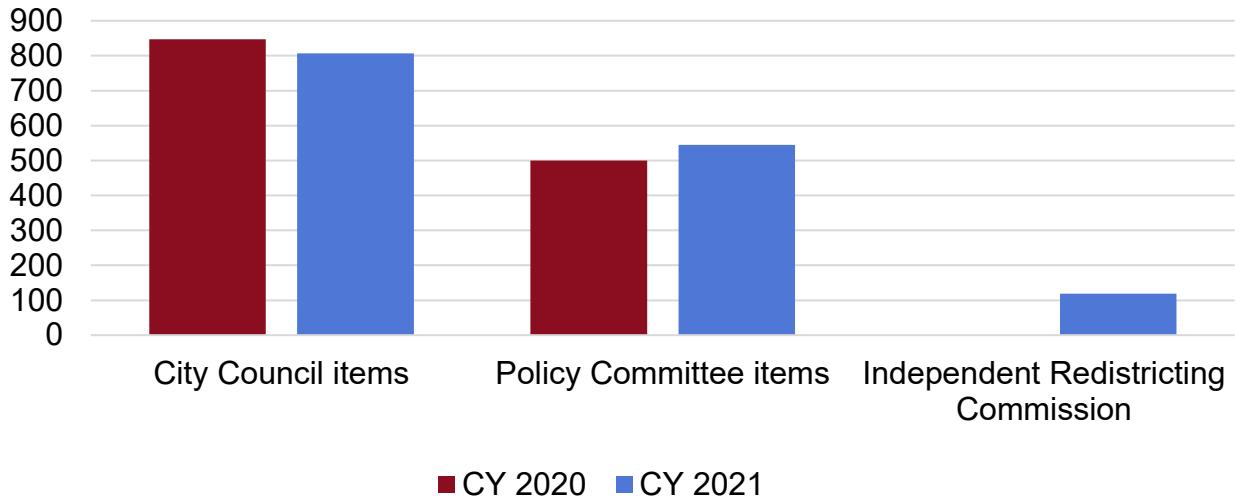
- The City Clerk Department has also supported the Independent Redistricting Commission since the start of 2021. This additional responsibility has resulted in only meeting baseline tasks and not engaging in improvements or special projects.

⁴ Facilities, Infrastructure, Transportation, Environment, and Sustainability (FITES)



SERVICE

Legislative Items Collated and Tracked



Factors Contributing to Current Performance

- The high quality and capacity of the staff managing the legislative bodies is a key factor in administering the high volume of items.
- The OnBase Agenda Manager software is essential to tracking, reviewing, and publishing the items for the legislative body agenda packets.

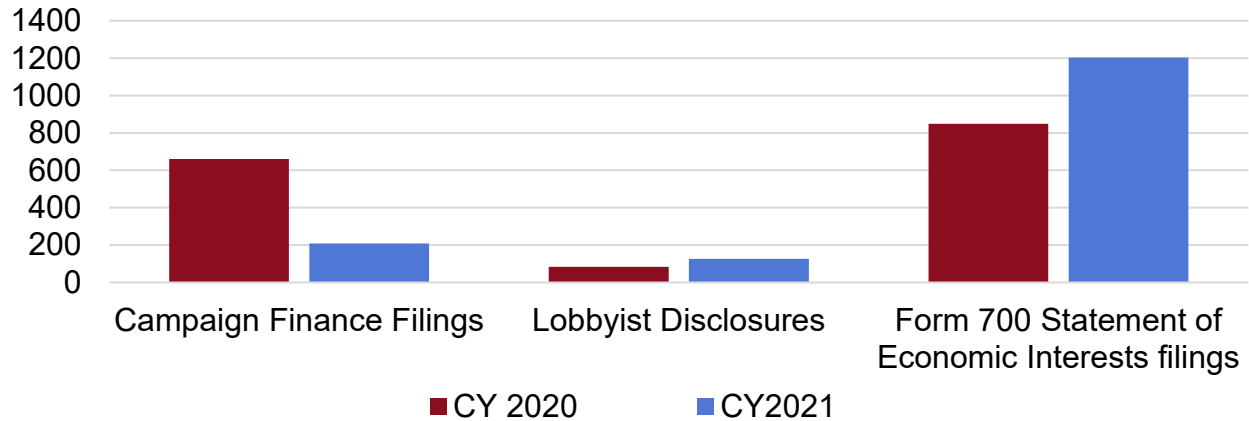
Factors Restricting Performance Improvement

- A significant number of new items and revisions submitted late in the process require an inordinate amount of time to process as compared to complete items submitted in accordance with established deadlines.
- Multiple Supplementals and items that are repeatedly carried over from meeting to meeting are more time-consuming to process and result in a complex legislative record that can be difficult for the public to review and understand.
- The City Clerk Department has also supported the Independent Redistricting Commission since the start of 2021. This additional responsibility has resulted in only meeting baseline tasks and not engaging in improvements or special projects.



SERVICE

Disclosures



Factors Contributing to Current Performance

- The NetFile online filing system assists both filers and staff with the submission, processing, and public availability of the disclosure documents.
- The implementation of online Form 700 filing for city commissioners has reduced vehicle trips to the Civic Center, reduced late filings, reduced the amount of hard copy notices mailed from the City Clerk, improved accuracy of filed statements, and reduced terminations from commissions for non-filing.

Factors Restricting Performance Improvement

- New programs in this area (Lobbyist, Public Financing) have hindered staff's ability to deliver the level of service and assistance to filers that was previously available.
- New amendments to the Berkeley Election Reform Act have expanded the Public Financing Program for City Candidates. This will likely result in increased turnaround time for payments of matching funds.
- The complexity of the Lobbyist Ordinance and the high registration fee (\$500) has caused some difficulty in staff's administration of the ordinance as well as compliance difficulties for filers.



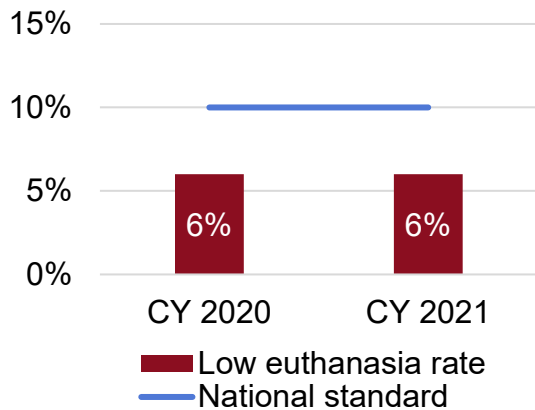
SERVICE

Animal Care Services

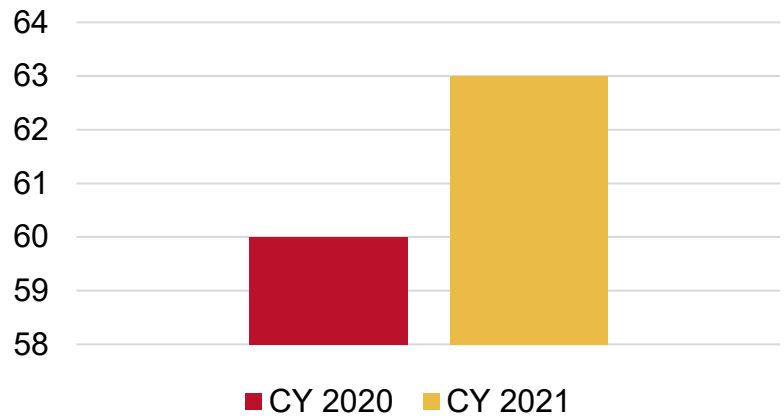


Average days per shelter stay.....	8 days
Percentage of animals adopted.....	22%
Percentage of animals going to nonprofit rescues.....	35%
Percentage of animals returned to owners.....	34%

Low Euthanasia Rate



Non-Sterilization Surgeries



Factors Contributing to Current Performance

- Berkeley Animal Care Services (BACS) has highly successful adoption and rescue rates. This can be attributed to a number of factors, including an excellent working relationship with nonprofit rescue organizations, accessible hours of operation to the public (limited during COVID-19), and excellent customer service.

Factors Restricting Performance Improvement

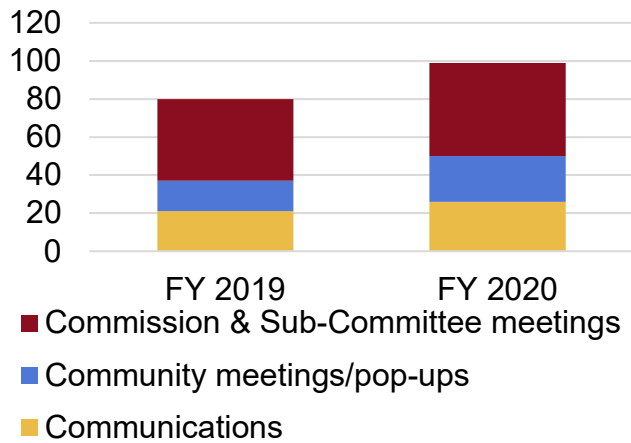
- Some animals are too sick injured or aggressive to place.
- Limited veterinary staffing has constrained the City's ability to perform surgeries and other procedures.



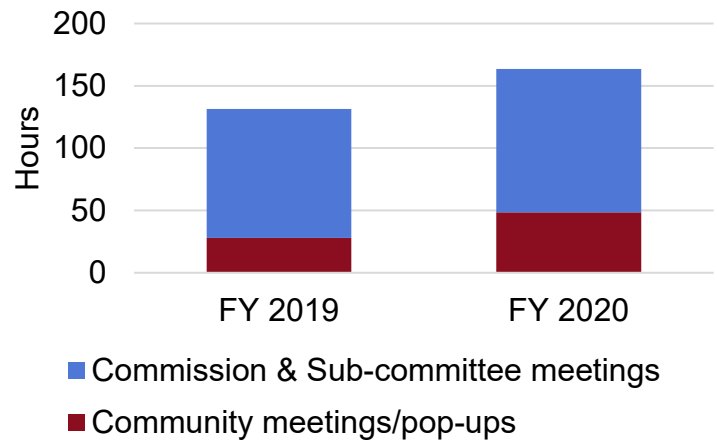
SERVICE

Parks, Recreation and Waterfront Community Contacts

Number of Community Contacts



Time Spent During Community Meetings



Factors Contributing to Current Performance

- Hosting community meetings on Zoom likely increased participation in public meetings. In the recent Measure T1 Phase 2 community process, and the Vision 2050 community outreach, staff were able to attend more neighborhood group meetings to take feedback and share progress and updates. Additionally, advertising, use of in-house graphic design, and publicizing meetings and events helped increase community contacts.

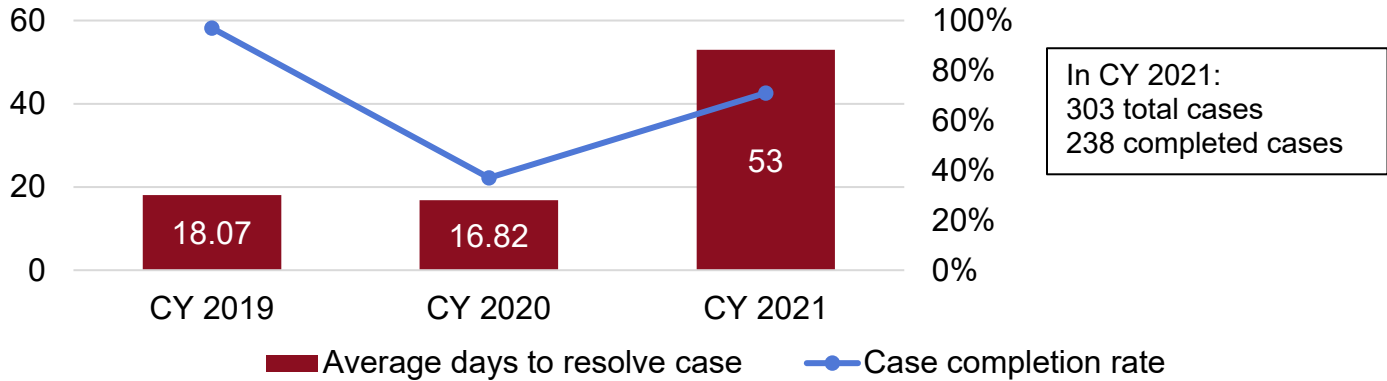
Factors Restricting Performance Improvement

- Pandemic restrictions have limited staff's ability to hold in-person meetings and special events. However, as the health restrictions are lifted, staff anticipate a return to pre-COVID levels of events and in-person programs.



SERVICE

Neighborhood Services Code Enforcement Unit (CEU)
Average Days to Resolve & Case Completion Rate



Factors Contributing to Current Performance

- The safe return to the office (from shelter in place) has positively impacted performance, as staff has more opportunity to be in the field and address cases.
- Acquiring two Unit vehicles to replace one has allowed for simultaneous inspections that may occur on the same workday.

Factors Restricting Performance Improvement

- Lack of software tools to research contact information for non-responsive property owners
- Only way to collect fines from issued administrative citations is to place a lien on the property. This is cumbersome and is typically reserved for extreme/high-value balances. Hiring a third-party collection agency (commonly done in other jurisdictions) would fairly collect for all values of outstanding balances. Note: current outstanding balances for unpaid fines is at \$620,700.
- Current case management is cumbersome. A new, dedicated software system would help to automate the process of documentation, noticing, and reporting.
- Insufficient staffing relative to the workload, as identified in the City Auditor's 2018 report.

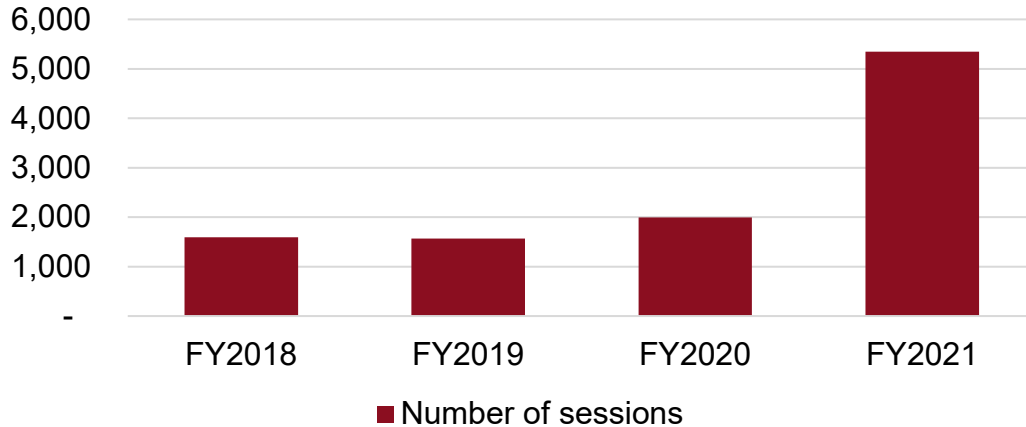
Addressing Measures Not Meeting Target

Measure	Outcome and Analysis	Next Steps
Average days to resolve case	CEU responds to complaints as they are received, and has no control over the complexity of cases that are received. Highly complex cases may come in at any time. These cases can take months or even years to resolve, the unpredictable receipt of even a few such cases may cause the metric to fluctuate considerably from year to year.	CEU will begin tracking additional data to determine not just the time from case creation to completion but also from creation to acquisition by an enforcement officer—a better method for measuring responsiveness.



SERVICE

Information and Assistance Sessions Provided by Aging Services Division



Factors Contributing to Current Performance



Increase in Information & Assistance sessions due to pandemic-related demand. Since senior centers were closed for most of FY21, Aging Services staff pivoted to provide assistance to seniors and connection to resources virtually. Staff also proactively conducted wellness calls and provided information to seniors during those calls.

Factors Restricting Performance Improvement

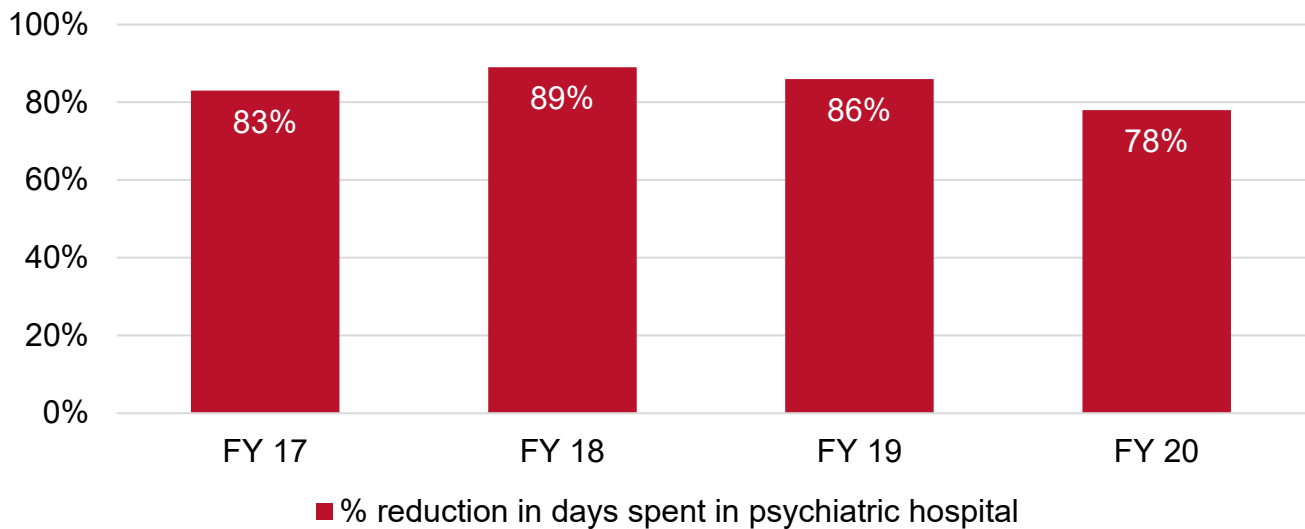


Due to the shelter-in-place order, face-to-face information and assistance sessions are not being conducted, but are being provided virtually by phone.



SERVICE

Reduction of Days Spent in Psychiatric Hospital Among Clients in Full Service Partnership Program



Factors Contributing to Current Performance

- The Full Service Partnership (FSP) program utilizes the Assertive Community Treatment model, an evidence-based practice, which has been shown to support the population it serves.
- The FSP program provides the vast majority of services in the field, allowing for engagement of clients who previously have been unengaged.
- The FSP program utilizes motivational interviewing and harm reduction strategies, allowing the team to support clients who have not done well with mental health care in the past.
- The FSP program quickly responds to crisis events, finding solutions to issues that led to hospitalization in the past.

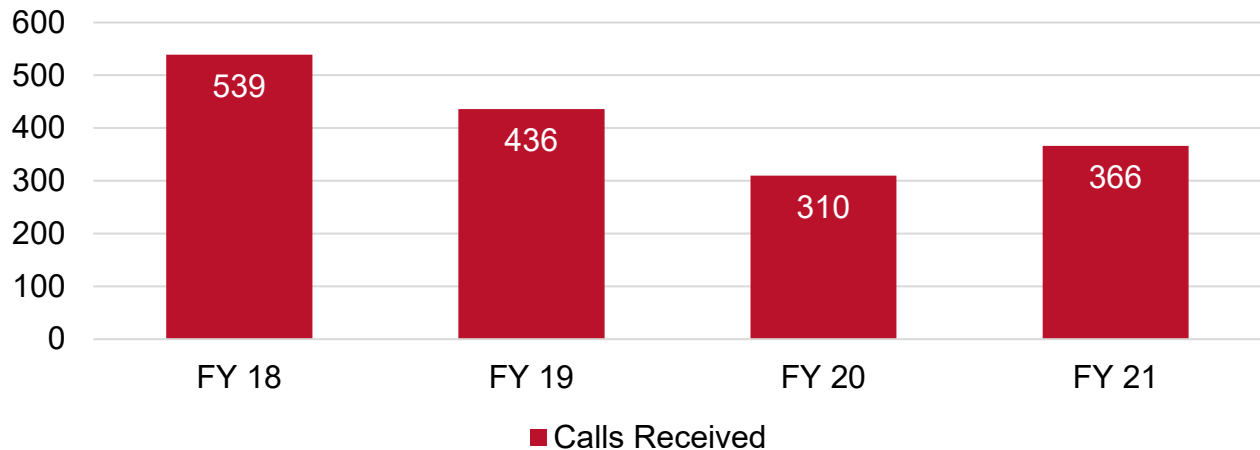
Factors Restricting Performance Improvement

- There are sometimes shortages in sub-acute treatment placements, reducing the ability to avoid hospitalization.
- There are not enough housing options available, leading to increased stress on clients.




SERVICE

Vector Service Requests Received by Environmental Health Vector Program



Factors Contributing to Current Performance

- The Environmental Health Division (EHD) staff address community complaints regarding vectors such as rats, bedbugs, and yellow jackets effectively reducing overall vector calls to EHD.  Many communities are experiencing increasing vector calls due to pandemic-related changes in consumption and live/work patterns.

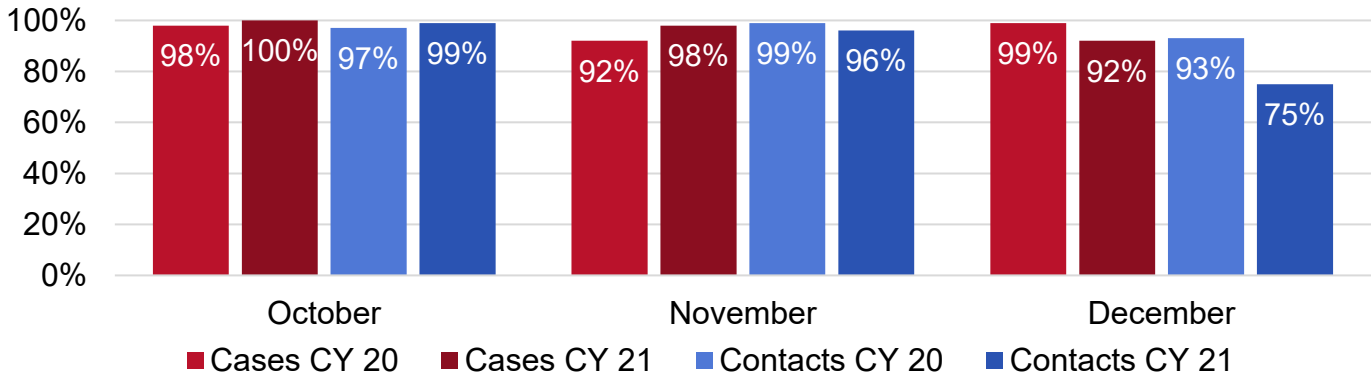
Factors Restricting Performance Improvement

- Reduced staffing among field staff and support staff in EHD caused some community vector calls to be transferred to the county in FY 2020.
- The Alameda County Agriculture Department restricted the use of a common pesticide used to control the yellow jacket population which impacted the ability to respond to community complaints. The hold was lifted in FY 2020.



SERVICE

COVID Cases and Contacts with Outreach Initiated



Note: For data purposes, the months are calculated from the 25th of the preceding month through the 24th of the month. For example, October is September 25 through October 24.

Factors Contributing to Current Performance

- The City of Berkeley worked to maintain staffing of case investigators and contact tracers (CICT) due to the reduction of the redirected staff from California Department of Public Health (CDPH) and continued increase of cases. We have been able to hire additional staff but have not filled all vacancies and continue our partnership with UC Berkeley.
- The City of Berkeley provides support, to CICT staff at UC Berkeley and CDPH to ensure effective contact tracing and case investigation.
- Bilingual and bi-cultural CICT staff members were recruited and hired to serve all members of the Berkeley community.

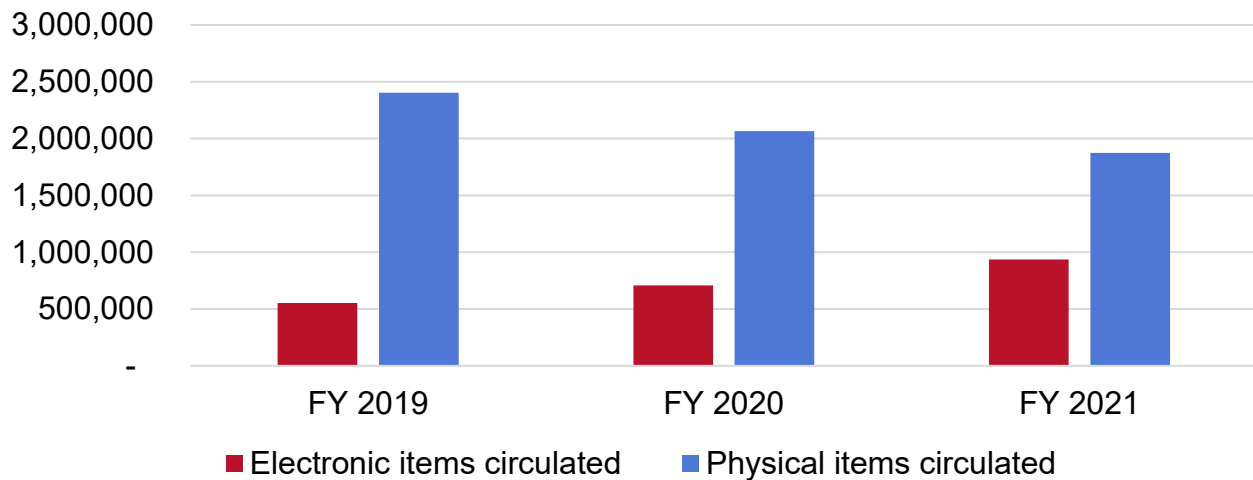
Factors Restricting Performance Improvement

- Cases do not always provide correct contact information or are unwilling to provide any contact information of those they have come in contact with making it difficult to initiate outreach.
- In December, the City of Berkeley began experiencing a tremendous surge of cases on top of an already high baseline of cases due to a holiday surge and the steep rise in cases due to the Omicron variant. This required shifting in outreach of cases to target high risk populations and settings while providing some outreach to all cases and contacts. This approach has reduced the amount of cases and contacts where outreach was initiated.
- Over the holidays, cases and contacts were less responsive to CICT staff outreach, also impacting ability and effectiveness of staff outreach.



SERVICE

Circulation of Books and Electronic Materials



Factors Contributing to Current Performance



During part of the period measured, Outdoor Pickup service was the primary way that people checked out Library materials. Electronic materials circulation continued. Because people were not entering Library buildings, there was a decrease in circulation overall due to the fact that people were only checking out materials on hold versus browsing.

- Demand for electronic materials continues to increase, mirroring a national trend. This demand was heightened during the closure as some additional users opted for electronic books.

Factors Restricting Performance Improvement

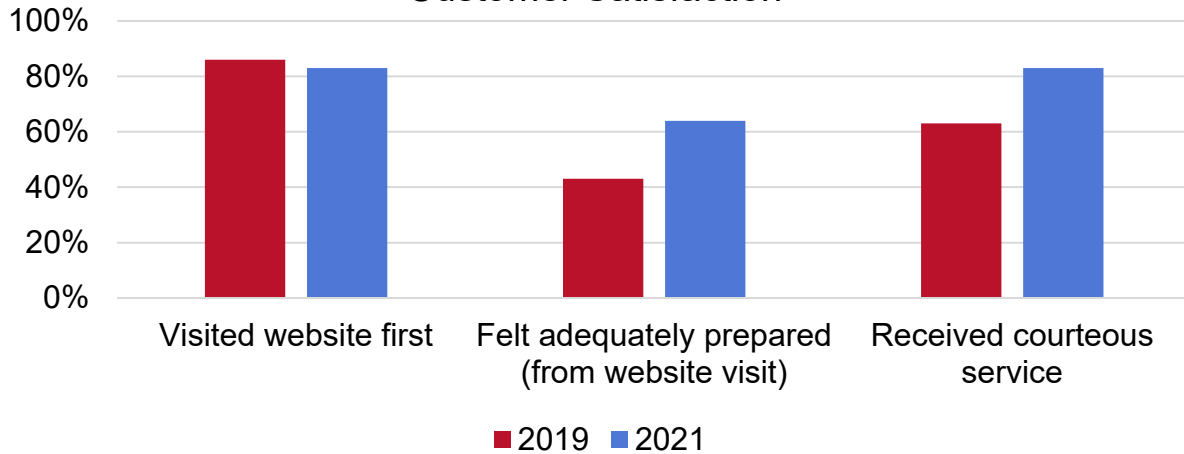


Libraries are now open to the public, but during the period from which this data was collected, they were not. For this reason, a lower percentage of materials was circulated. The numbers will adjust to standard levels when browsing and other aspects of access are once again available.




SERVICE

Permit Service Center Customer Satisfaction



Factors Contributing to Current Performance

- The 2021 Survey received more responses than the 2019 edition, largely from efforts to make sure all clients were aware of the survey.
 - Staff believe this cross-section of respondents is more representative than in 2019, including more building professionals who comprise the majority of Permit Service Center clients.
-  This survey captured clients who experienced all of the new remote submittal services Planning introduced to remain fully open during the pandemic.

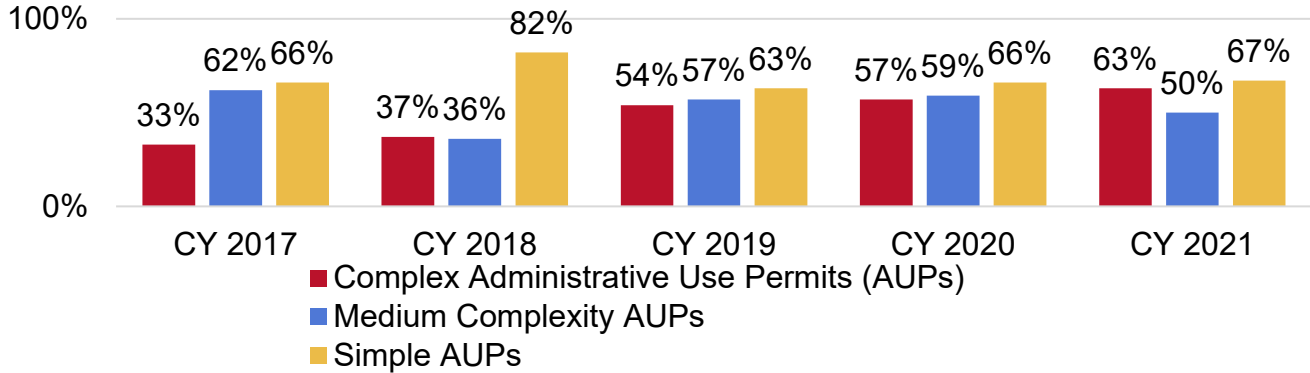
Factors Restricting Performance Improvement

- While remote applications are fully available to building permit clients, that is not yet true for Land Use permit clients, both of whom were surveyed.
- Evidence suggests that building professionals view Berkeley services positively in comparison to services in other jurisdictions. However, this warrants more direct questions in future surveys.
- Zoning and Building are regulatory functions, which inherently means that customers will sometimes be told they are not allowed to pursue the project they envisioned. There will always be a portion of negative responses which reflect Zoning and Building performing their proper functions.



SERVICE

Percent Application Completion to Staff Approval in Under Two Months



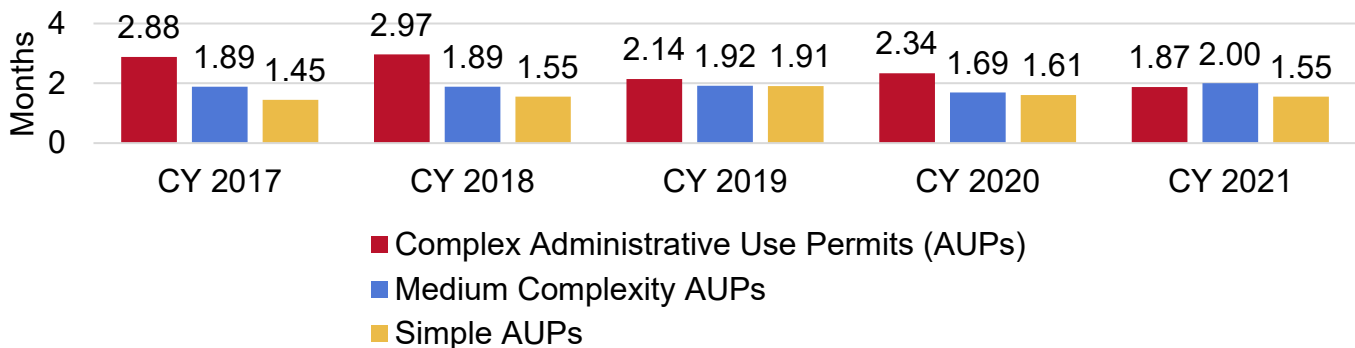
Factors Contributing to Current Performance

- New Accessory Dwelling Unit (ADU) regulations and guidelines allow more types of projects without discretionary review.
- There are improved application forms and how-to guides for common development project types.
- There were revisions to the Zoning Ordinance, including amendments to streamline processes for small businesses.

Factors Restricting Performance Improvement

- Review and approval of digital permitting documents by staff through remote access exclusively can be cumbersome and subject to technical limitations.
- There has been a surge in accessory dwelling unit (ADU) and other home improvement/expansion applications.
- Multiple and ongoing revisions to ADU ordinance have confused some clients as they prepare submittals.
- Substantial staff turnover has challenged the Land Use Division at all levels, as new planners are hired and trained and others take on new roles.

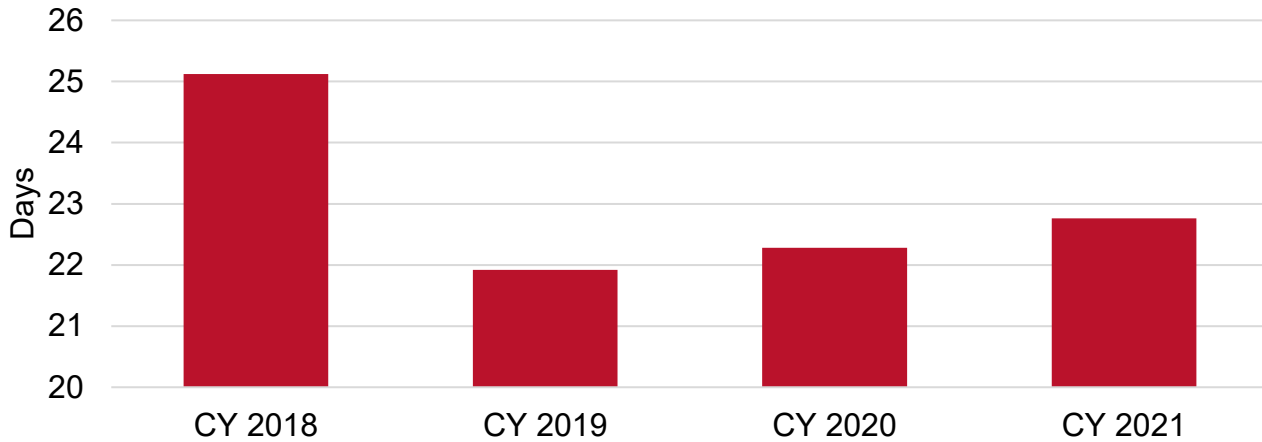
Time from Application Completion to Staff Approval





SERVICE

Average City Plan Check Review Time



Factors Contributing to Current Performance

- Increased efficiency through improved electronic plan check tools and hardware; Plan Check meets due dates over 90% of time.
- Elimination of previous plan check queue backlog has improved employee morale and reduced inquiries regarding plan check status.
- Establishment of Plan Check performance dashboard and daily plan check queue review to identify and correct processing issues.
- Better education of applicants through how-to guides and submittal checklists result in higher quality submittals which require fewer plan check corrections

Factors Restricting Performance Improvement

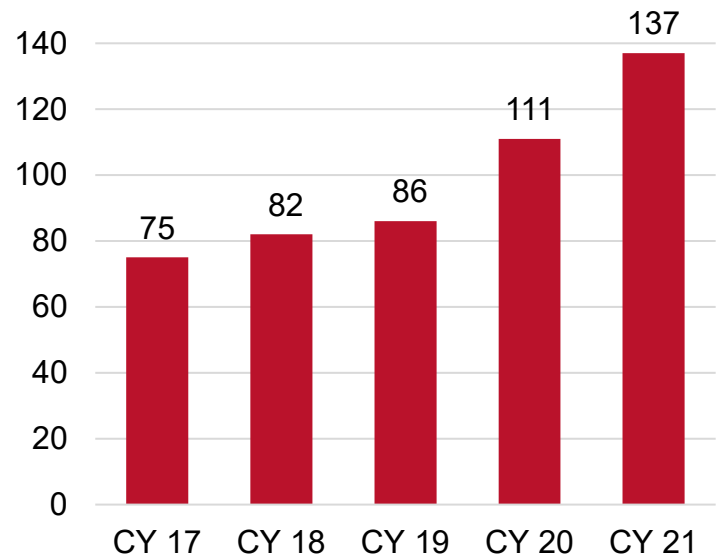
- Metric has limited utility for public, as it aggregates all project types from bathroom remodels to 16-story hotels.
- Metric has limited utility for staff, as different types of reviews are not segregated by reviewing agency.
- Large parts of the time a client experiences—preparation before initial submittal, and the speed and completeness of responses to City comments—are not within City control and thus are not reflected in data.



SERVICE

Diligent Exceptional
Understanding Dedication
Kind Reassuring
Calm Collaborative Care
Professional
Excellence Empathy
Compassion
Patient Respectful
Outstanding

Commendations



Factors Contributing to Current Performance

- The Berkeley Police Department (BPD) prides itself on the service provided to the community through law enforcement activities as well as routine community interaction and engagement. Officers are occasionally stopped on the street and thanked for their service, or receive positive feedback at the end of a call for service. Sometimes the level of service or engagement efforts of the officers prompt people to independently contact BPD to share their praise. These commendations are shared with the Police Accountability Board and within the Department where they become part of the involved officer's personnel file.
- The Berkeley Police Department now provides information to community members on how they can provide a commendation or file a complaint about the service they received from BPD. This was a new practice that began in 2021. This may have contributed to an increase in commendations.

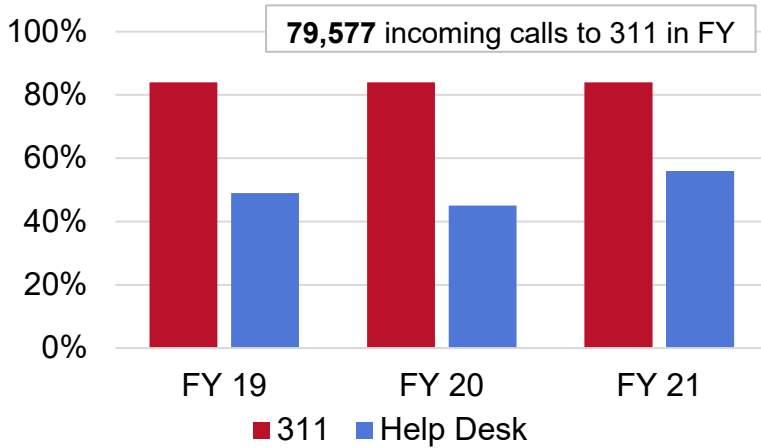
Factors Restricting Performance Improvement

- While commendations often speak directly to high levels of trust and happiness with police service, it is challenging to use the number of commendations to speak to overall levels of community trust and satisfaction.
- Many positive interactions and good performances may not be recognized by a member of the public taking the time to write about the experience.

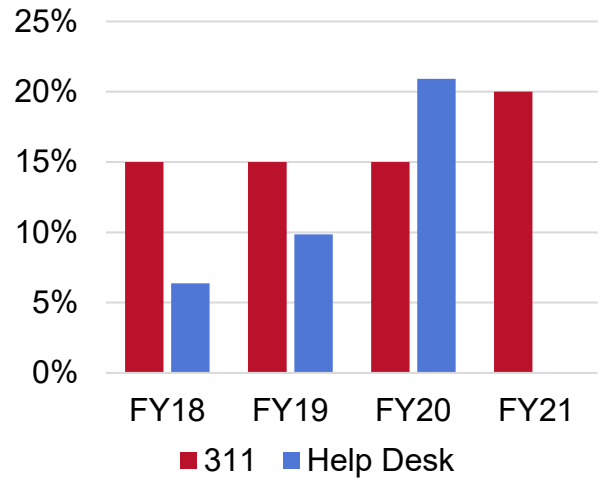


SERVICE

First Call Resolution



Abandonment Rate



Note: In FY21, due to a midyear phone system upgrade, only have partial data for Help Desk.

Factors Contributing to Current Performance



Phone abandon rates have increased during COVID due to reduced staffing in the office. Incoming calls average 1,500 calls a week. The other methods for contacting 311 for services are processed by staff working at home. The Community contacts using Web, email or voicemail have increased by 29% and majority of requests are responded to on the same day.

Factors Restricting Performance Improvement



During COVID19 - 311 has implemented rotating schedules. Staff working in the office receive approximately 1500 calls a week with a staff of 5 resulting in an increased abandon rate. Staff working at home, are managing side work office duties. (311 On-line Service Center Service requests, Customer Service email, 311 voice mail, SeeClickFix mobile cases and responding to Direct Line answering service calls for service). If team members are out of the office, 311 is unable to maintain same day responses.

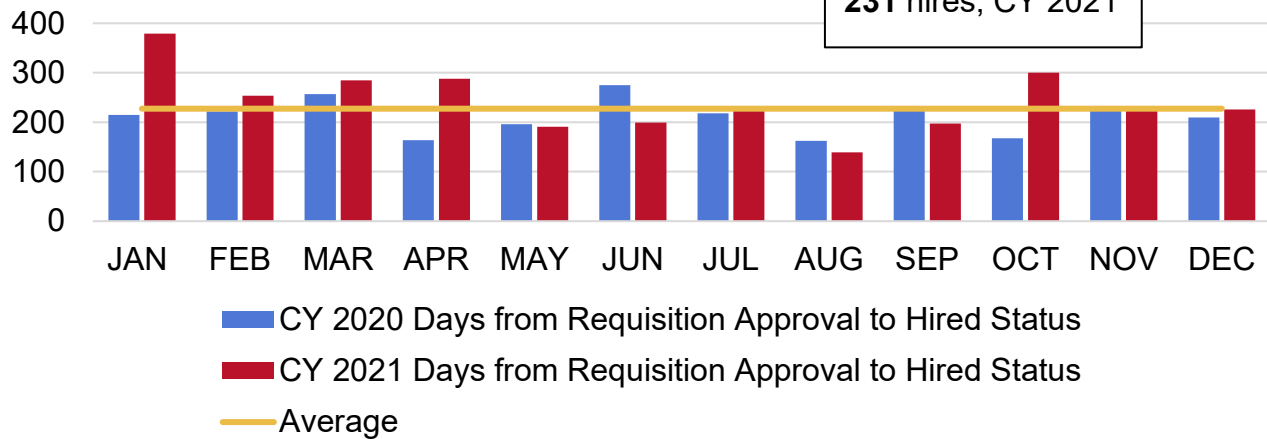
- Due to recent changes in technology infrastructure, pandemic response priorities and an 18% vacancy rate for IT classifications, the IT Department is working to improve performance and add the capability to provide more accurate performance measurements. IT anticipates resolving these issues in FY 2023.



WORKFORCE

Time to Hire

231 hires, CY 2021



Factors Contributing to Current Performance

- The Examinations Division operated with reduced staff due to employee turnover, but incorporated strategies and operational changes that involved using recruitment software and web conferencing platforms to improve hiring functions such as automated screening, on line interviewing, web-based exams, and notification functions.

Factors Restricting Performance Improvement

Despite a Citywide COVID-19-related hiring freeze for positions not critical for continuity of essential functions, Examinations received a higher than anticipated number of hiring freeze exceptions from Departments. There are elements of hiring outside the control of the Human Resources Department that may result in delays such as requisition approval, candidate selection, Live Scan, pre-employment medical screening, and offer acceptance.

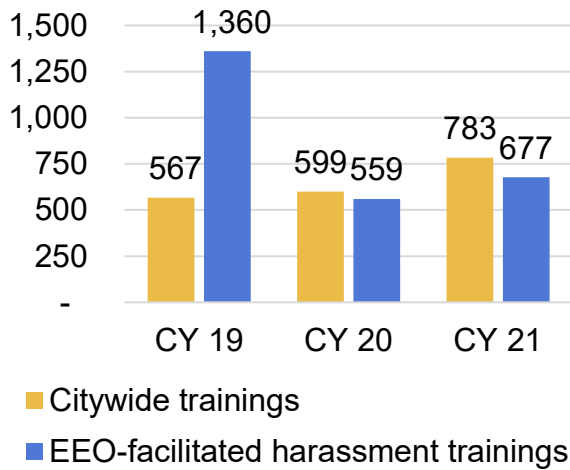
Addressing Measures Not Meeting Target

Measure	Outcome and Analysis	Next Steps
Time to hire	Operating with reduced staff due to employee turnover and competing priorities such as memorandum of understanding (MOU) negotiations, the time to hire did not decrease as targeted.	By employing a variety of strategies and technologies, staff was able to limit the overall impacts, even successfully (during certain months) succeeding in meeting time-to-hire targets. Moving forward, the Department is addressing the turnover rate and identifying additional strategies and helpful technologies to continue to improve time-to-hire.

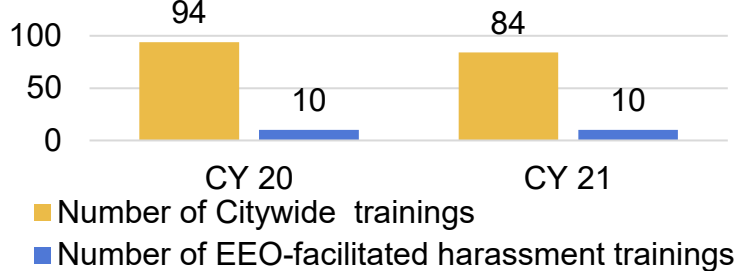


WORKFORCE

Employee Attendance



Citywide Trainings Available



Requests for Tuition Reimbursement



Factors Contributing to Current Performance

- EEO Trainings:** Due to COVID-19 shelter-in-place and remote work the use of web conferencing for training to timely comply with SB 1343 which requires in-person Harassment Prevention training for all employees.
- Citywide Trainings:** The City is anchored by 3 core values; One City Team, Continuous Learning and Customer Service. Trainings are coordinated in alignment with these values. In 2020, in response to the COVID-19 crisis, a suite of uniquely designed trainings were calibrated to meet city need.
- **Requests for Tuition Reimbursement:** The City has three Tuition Reimbursement programs. Local 1 was added in FY 2022. The SEIU Tuition Reimbursement program is limited to certain staff classifications only. The Standard Citywide Tuition Reimbursement program is open to all City staff.

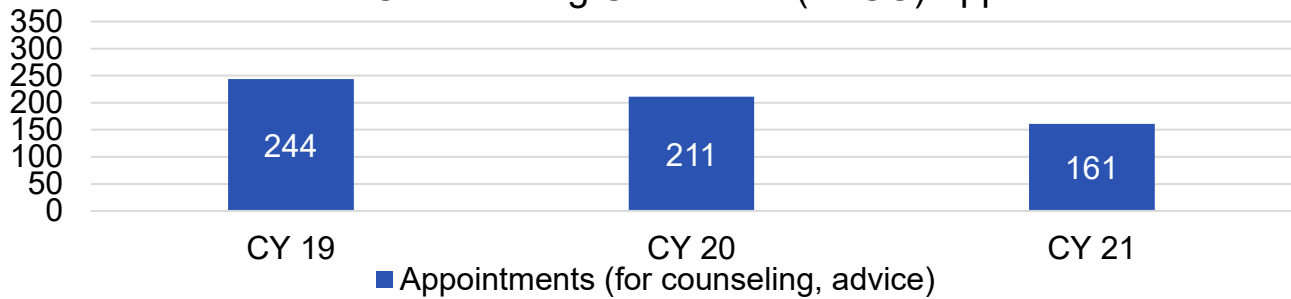
Factors Restricting Performance Improvement

- EEO Trainings:** Competing interests and workload demands impacted participants' ability to complete mandatory harassment training. Some of these demands included the impact of the pandemic and the greater use of telework.
- Citywide Trainings:** Workforce location, scheduling, and technology challenges have traditionally constrained capacity and equitable consumption of Citywide training. Plans are in place to build structures to increase access for all valuable city staff. Some demands included the impact of the epidemic and the greater use of telework.
- Request for Tuition Reimbursement:** Because of limited utility, applications for this program have historically been low, as staff are compelled to utilize an "in person" modality (not reflective of current conditions) and classes are limited to specific and delineated subjects only. All tuition reimbursement applications in 2021 have been lower than expected due to the impact of COVID.

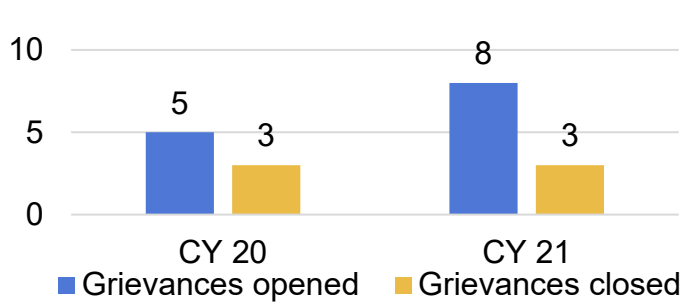


WORKFORCE

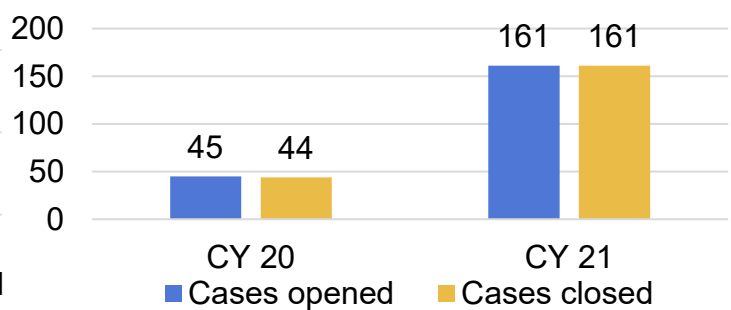
Labor Relations Coordinating Committee (LRCC) Appointments



LRCC Grievances



LRCC Cases



Factors Contributing to Current Performance



The reduced number of appointments is on target. The reduction is due to the impact of the pandemic shifting focus at the department level to emergency operations from performance management.

Factors Restricting Performance Improvement

- The reasons supervisors/managers schedule appointments are outside the control of the Employee Relations division. Supervisor/managers may schedule multiple appointments related to the same or similar personnel matters, and may need to schedule more than one appointment on the same matter in order to receive advice to ensure due process.
- The reasons why grievances are filed are often outside the control of the Employee relations division. Employee Relations may not be notified of a grievance until later in the grievance handling process. Additionally, organizational priorities shifted to customer focused emergency operations and early detection of MOU compliance.

Addressing Measures Not Meeting Target

Measure	Outcome and Analysis	Next Steps
Reduction in LRCC Grievances	The five open grievances are analogous incorrect pay issues from one bargaining unit.	This issue is being resolved going forward.

COMMUNITY AGENCIES

The City of Berkeley prides itself in its support of community-based organizations and the incredible extension of critical services these agencies provide Berkeley citizens.

ALLOCATION PROCESS

The City of Berkeley combines multiple sources of funds into one consolidated Request for Proposals (RFP) and allocation process for community agencies. Starting this year, the City changed the process to a four-year funding cycle, rather than the prior two-year cycle. These funds are used to support public services and capital projects that benefit people with incomes at 80% of Area Median Income (AMI) or below. The Health, Housing & Community Services Department manages the RFP and allocation process and coordinates the review process among the four commissions: the Housing Advisory Commission (HAC), Homeless Commission (HC), Human Welfare and Community Action Commission (HWCAC), and Children, Youth, and Recreation Commission (CYRC) The consolidated allocation process includes specific recommendations for CDBG and ESG funds to community agencies.

During this funding process 63 agencies applied for over \$21 million in funding for 119 programs including 13 new agencies and 33 new programs. FY 23 will be the 4th year of a 4-year allocation of federal funds for community agencies.

Funding for Arts projects continues to pass through a separate allocation process involving the Civic Arts Commission. Public Health, Mental Health, and Public Works community agency allocations are also allocated through different processes.

FUNDING SUMMARY

For FY 23, the City will spend \$24,262,329 in General Funds, Federal Funds, and other funds for community agencies. This amount represents a 23% decrease from the \$31,519,975 amount allocated to community agencies in FY 22. The decrease is due to one-time COVID funding to Homeless and Legal community agencies in FY 22.

The following charts represent a listing of the entire community agency allocations proposed for FY 23. These charts show the following:

- FY 23 Community Allocations by Service Type
- FY 23 Adopted Budget Community Agency Allocations for all funding sources

FY 23 Community Agency Allocations by Service Type

Funding by Category	General Funds	Federal Funds	Other Funds
Arts	\$586,652	\$0	\$0
Childcare	630,627	-	13,275
Community Facilities Improvements	24,575	1,036,890	-
Community Media	230,710	-	-
Disability Programs	103,305	159,660	1,569,911
Economic Development	416,667	-	-
Employment Training	295,165	-	-
Health	2,060,256	160,000	-
Homeless	11,991,322	630,954	427,045
Housing Dev & Rehab	303,475	250,000	-
Legal/ Advocacy	1,895,486	35,000	-
Other	168,104	-	-
Recreation	18,573	-	-
Seniors	9,110	-	-
Youth	1,070,567	-	-
TOTAL	\$19,804,594	\$2,272,504	\$2,010,231

Funding by Category	FY 2022 All Sources	FY 2023 All Sources	Percent Change
Arts	\$586,652	\$586,652	0%
Childcare	\$643,902	\$643,902	0%
Community Facilities Improvements	\$1,169,826	\$1,061,465	-9%
Community Media	\$230,710	\$230,710	0%
Disability Programs	\$1,694,976	\$1,832,876	8%
Economic Development	\$181,125	\$416,667	130%
Employment Training	\$295,165	\$295,165	0%
Health	\$2,220,256	\$2,220,256	0%
Homeless	\$18,877,881	\$13,049,321	-31%
Housing Dev & Rehab	\$553,475	\$553,475	0%
Legal/ Advocacy	\$3,829,653	\$1,930,486	-50%
Other	\$168,104	\$168,104	0%
Recreation	\$18,573	\$18,573	0%
Seniors	\$9,110	\$9,110	0%
Youth	\$1,040,567	\$1,245,567	20%
	\$31,519,975	\$24,262,329	-23%

Agency/Individual Name	FY 2022 Actual	FY 2023 Adopted	CDBG	CSBG	ESG	Measure P	Measure U1	General Fund	General Fund/Re-imagining Pilot	Other Funds
Arts										
Berkeley Art Center	86,652	86,652	-	-	-	-	-	86,652	-	-
Civic Arts Grants	500,000	500,000	-	-	-	-	-	500,000	-	-
Arts Total	586,652	586,652	-	-	-	-	-	586,652	-	-
Childcare										
Ala Costa Center	-	-	-	-	-	-	-	-	-	-
Bay Area Hispano Institute for Advancement - Child Development Program	82,143	82,143	-	-	-	-	-	82,143	-	-
Bananas Inc.	-	-	-	-	-	-	-	-	-	-
Child Care Subsidies	283,110	283,110	-	-	-	-	-	269,835	-	13,275
Play & Learn Playgroups	10,527	10,527	-	-	-	-	-	10,527	-	-
QRIS Services	95,000	95,000	-	-	-	-	-	95,000	-	-
Ephesians Children's Center - Childcare Program	45,507	45,507	-	-	-	-	-	45,507	-	-
Healthy Black Families, Inc.	-	-	-	-	-	-	-	-	-	-
Sisters Together Empowering Peers (STEP)	87,616	87,616	-	-	-	-	-	87,616	-	-
Nia House Learning Center	39,999	39,999	-	-	-	-	-	39,999	-	-
Childcare Total	643,902	643,902	-	-	-	-	-	630,627	-	13,275
Community Facilities Improvements										
Rebuilding Together	-	-	-	-	-	-	-	-	-	-
Community Facility Improvement Program	24,575	24,575	-	-	-	-	-	24,575	-	-
Public Facility Improvements NOFA	1,145,251	621,746	621,746	-	-	-	-	-	-	-
Larkin Street - 3404 King Street - TAY Transitional Housing	-	415,144	415,144	-	-	-	-	-	-	-
Community Facilities Improvements Total	1,169,826	1,061,465	1,036,890	-	-	-	-	24,575	-	-

Agency/Individual Name	FY 2022 Actual	FY 2023 Adopted	CDBG	CSBG	ESG	Measure P	Measure U1	General Fund	General Fund/Re-imagining	Other Funds
Community Media										
Berkeley Community Media	230,710	230,710	-	-	-	-	-	230,710	-	-
Community Media Total	230,710	230,710	-	-	-	-	-	230,710	-	-
Disability Programs										
Bay Area Outreach and Recreation Program										
Recreational Services for the Disabled	43,592	43,592	-	-	-	-	-	43,592	-	-
Berkeley Place Bonita House	17,183	17,183	-	-	-	-	-	17,183	-	-
Creative Wellness Center	15,324	15,324	-	-	-	-	-	15,324	-	-
Center for Independent Living:										
Residential Access Program	159,660	159,660	159,660	-	-	-	-	-	-	-
Easy Does It	1,432,011	1,569,911	-	-	-	-	-	-	-	1,569,911
Through the Looking Glass	27,206	27,206	-	-	-	-	-	27,206	-	-
Disability Programs Total	1,694,976	1,832,876	159,660	-	-	-	-	103,305	-	1,569,911
Economic Development										
Berkeley Convention and Visitors Bureau	181,125	416,667	-	-	-	-	-	416,667	-	-
Economic Development Total	181,125	416,667	-	-	-	-	-	416,667	-	-
Employment Training										
Bread Project	57,850	57,850	-	-	-	-	-	57,850	-	-
Inter-City Services	101,351	101,351	-	-	-	-	-	101,351	-	-
Multicultural Institute Life skills Program	68,136	68,136	-	-	-	-	-	68,136	-	-
Rising Sun – Green Energy Training Services	67,828	67,828	-	-	-	-	-	67,828	-	-
Employment Training Total	295,165	295,165	-	-	-	-	-	295,165	-	-

Agency/Individual Name	FY 2022 Actual	FY 2023 Adopted	CDBG	CSBG	ESG	Measure P	Measure U1	General Fund	General Fund/Re-imagining	Other Funds
Health										
Lifelong Medical Care:	-	-	-	-	-	-	-	-	-	-
Access for Uninsured (BPC, WBFP, Uninsured, Acupuncture Detox Clinic)	189,855	189,855	-	160,000	-	-	-	29,855	-	-
Geriatric Care/Hypertension	114,543	114,543	-	-	-	-	-	114,543	-	-
Berkeley Free Clinic	-	-	-	-	-	-	-	-	-	-
Free Women and Transgender Health Care Service	15,858	15,858	-	-	-	-	-	15,858	-	-
Sugar - Sweetened Beverage Berkeley Unified School District	950,000	950,000	-	-	-	-	-	950,000	-	-
Sugar - Sweetened Beverage Panel (POE)*	950,000	950,000	-	-	-	-	-	950,000	-	-
Health Total	2,220,256	2,220,256	-	160,000				2,060,256	-	-
Homeless Services										
Abode Services										
Rodeway to Home (through 10/23)	3,903,397	-	-	-	-	-	-	-	-	-
Alameda County Homeless Action Center	-	-	-	-	-	-	-	-	-	-
SSI Advocacy	129,539	129,539	-	-	-	109,539	-	-	-	20,000
Rapid Rehousing for Homeless Elders Project	68,220	68,220	-	-	-	68,220	-	-	-	-
Alameda County Housing & Community Development Department	-	-	-	-	-	-	-	-	-	-
HMIS Support	18,676	6,676	-	-	6,676	-	-	-	-	-
COVID Rapid Re-Housing Pass Through to Abode	2,100,000	-	-	-	-	-	-	-	-	-
Alameda County Network of Mental Health Clients	-	-	-	-	-	-	-	-	-	-
Daytime Drop-In	35,721	35,721	-	-	-	35,721	-	-	-	-
Representative Payee Services	32,016	32,016	-	-	-	32,016	-	-	-	-

Agency/Individual Name	FY 2022 Actual	FY 2023 Adopted	CDBG	CSBG	ESG	Measure P	Measure U1	General Fund	General Fund/Re-imagining	Other Funds
Locker Program	50,000	50,000	-	-	-	50,000	-	-	-	-
Bay Area Community Services										
North County HRC	3,781,785	2,181,785	248,419	-	-	1,933,366	-	-	-	-
Permanent Housing Subsidies/Shallow Subsidies	-	1,600,000	-	-	-	1,600,000	-	-	-	-
STAIR Pathways	2,708,858	2,704,882	-	-	205,357	2,499,525	-	-	-	-
Berkeley Food & Housing Project	-	-	-	-	-	-	-	-	-	-
Case Management Tied to Permanent Housing	100,190	100,190	-	-	-	100,190	-	-	-	-
Men's Shelter	218,422	170,502	170,502	-	-	-	-	-	-	-
Hope Center - Mental Health Services	-	71,250	-	-	-	71,250	-	-	-	-
Russell Street Supportive Housing Program	157,045	157,045	-	-	-	-	-	-	-	157,045
Women's Shelter	209,406	119,963	-	-	-	119,963	-	-	-	-
COVID Respite Program / Rapid Rehousing	1,060,074	-	-	-	-	-	-	-	-	-
Bonita House	-	-	-	-	-	-	-	-	-	-
Case Management Tied to Permanent Housing	24,480	24,480	-	-	-	24,480	-	-	-	-
Building Opportunities for Self Sufficiency:	-	-	-	-	-	-	-	-	-	-
BOSS House Navigation Team	86,831	86,831	-	-	-	86,831	-	-	-	-
Representative Payee Services	52,440	52,440	-	-	-	52,440	-	-	-	-
Ursula Sherman Village Families Program	51,383	51,383	-	-	-	51,383	-	-	-	-
Ursula Sherman Village Singles Shelter	104,662	104,662	-	-	-	104,662	-	-	-	-
Step Up Housing (1367 University)	233,244	1,133,244	-	-	-	1,133,244	-	-	-	-
City of Berkeley EveryOne Home	23,837	23,837	-	-	-	23,837	-	-	-	-

Agency/Individual Name	FY 2022 Actual	FY 2023 Adopted	CDBG	CSBG	ESG	Measure P	Measure U1	General Fund	General Fund/Re-imagining	Other Funds
Covenant House California (YEAH!)	-	-	-	-	-	-	-	-	-	-
Shelter Services - HCRC Dorothy Day	318,388	-	-	-	-	-	-	-	-	-
Berkeley Emergency Storm Shelter	177,501	216,601	-	-	-	216,601	-	-	-	-
Drop In Center	182,000	182,000	-	-	-	182,000	-	-	-	-
Vets Shelter	566,000	566,000	-	-	-	566,000	-	-	-	-
Horizon	784,000	1,011,900	-	-	-	1,011,900	-	-	-	-
Downtown Berkeley Association	-	-	-	-	-	-	-	-	-	-
Homeless Outreach Worker	40,000	40,000	-	-	-	40,000	-	-	-	-
Downtown Streets Team	225,000	225,000	-	-	-	225,000	-	-	-	-
Fred Finch Youth Center: Turning Point	189,255	-	-	-	-	-	-	-	-	-
Larkin Street	-	-	-	-	-	-	-	-	-	-
Larkin Street Turning Point	-	407,643	-	-	-	407,643	-	-	-	-
Lifelong Medical Care: Case Management Tied to Permanent Housing	163,644	163,644	-	-	-	163,644	-	-	-	-
Supportive Housing Program	55,164	55,164	-	-	-	55,164	-	-	-	-
UA Homes	-	-	-	-	-	-	-	-	-	-
Street Medicine / Trust Clinic	525,000	525,000	-	-	-	525,000	-	-	-	-
Options Recovery Services - Detox Services & Day Treatment	-	-	-	-	-	-	-	-	-	-
Transitional Housing and Case Management	50,000	50,000	-	-	-	50,000	-	-	-	-
Telegraph Business Improvement District	-	-	-	-	-	-	-	-	-	-
Berkeley Host Program	49,139	49,139	-	-	-	49,139	-	-	-	-
The Suitcase Clinic	9,828	9,828	-	-	-	9,828	-	-	-	-
Toolworks, Inc. Supportive Housing	47,665	47,665	-	-	-	47,665	-	-	-	-

Agency/Individual Name	FY 2022 Actual	FY 2023 Adopted	CDBG	CSBG	ESG	Measure P	Measure U1	General Fund	General Fund/Re-imagining	Other Funds
Village of Love	-	-	-	-	-	-	-	-	-	-
TAY Transitional Housing Program (through FY23)	-	250,000	-	-	-	-	-	-	-	250,000
Women's Daytime Drop-In Center:	-	-	-	-	-	-	-	-	-	-
Bridget Transitional House Case Management	118,728	118,728	-	-	-	118,728	-	-	-	-
Daytime Drop-In Services	48,153	48,153	-	-	-	48,153	-	-	-	-
Homeless Case Management - Housing Retention	100,190	100,190	-	-	-	100,190	-	-	-	-
Youth Spirit Artworks -	-	-	-	-	-	-	-	-	-	-
TAY Tiny Homes Case Management	78,000	78,000	-	-	-	78,000	-	-	-	-
Homeless Services Total	18,877,881	13,049,321	418,921	-	212,033	11,991,322	-	-	-	427,045
Housing Development & Rehabilitation										
Bay Area Community Land Trust	5,200	5,200	-	-	-	-	-	5,200	-	-
Organizational Capacity Building	200,000	200,000	-	-	-	-	200,000	-	-	-
CHDO Programs	Refer to HTF/CHDO	Refer to HTF/CHDO	-	-	-	-	-	-	-	-
Habitat for Humanity East Bay/Silicon Valley	-	-	-	-	-	-	-	-	-	-
Housing Rehabilitation Grant Program	250,000	250,000	250,000	-	-	-	-	-	-	-
Rebuilding Together	-	-	-	-	-	-	-	-	-	-
Safe at Home Project	98,275	98,275	-	-	-	-	-	98,275	-	-
Housing Development & Rehabilitation Total	553,475	553,475	250,000	-	-	-	200,000	103,475	-	-

Agency/Individual Name	FY 2022 Actual	FY 2023 Adopted	CDBG	CSBG	ESG	Measure P	Measure U1	General Fund	General Fund/Re-imagining	Other Funds
Legal/Advocacy										
East Bay Community Law Center										
Consumer Justice	33,644	33,644	-	-	-	-	-	33,644	-	-
Clinic/Housing Advocacy										
Eviction Defense Services	275,000	275,000	-	-	-	275,000	-	-	-	-
Housing Retention	-	-	-	-	-	-	-	-	-	-
Eden Council for Hope and Opportunity	35,000	35,000	35,000	-	-	-	-	-	-	-
Eviction Defense Center	-	-	-	-	-	-	-	-	-	-
Rent Board	275,000	275,000	-	-	-	275,000	-	-	-	-
Housing Retention (through FY23)	3,149,167	1,250,000	-	-	-	1,250,000	-	-	-	-
Basic Needs	-	-	-	-	-	-	-	-	-	-
Family Violence Law Center - Domestic Violence & Homelessness Prevention Project	61,842	61,842	-	-	-	-	-	61,842	-	-
Legal/Advocacy Total	3,829,653	1,930,486	35,000	-	-	1,800,000	-	95,486	-	-
Other										
Animal Rescue	23,812	23,812	-	-	-	-	-	23,812	-	-
Berkeley Community Gardening Collaborative	11,895	11,895	-	-	-	-	-	11,895	-	-
Berkeley Project	32,000	32,000	-	-	-	-	-	32,000	-	-
Community Agency	25,000	25,000	-	-	-	-	-	25,000	-	-
Publishing Outcomes Project										
Eden Information & Referral	35,000	35,000	-	-	-	-	-	35,000	-	-
McGee Avenue Baptist Church	17,844	17,844	-	-	-	-	-	17,844	-	-
SEEDS Community Resolution Center	22,553	22,553	-	-	-	-	-	22,553	-	-
Other Total	168,104	168,104	-	-	-	-	-	168,104	-	-

Agency/Individual Name	FY 2022 Actual	FY 2023 Adopted	CDBG	CSBG	ESG	Measure P	Measure U1	General Fund	General Fund/Re-imagining	Other Funds
Recreation										
Ephesians Children's Center - Greg Brown Park Supervision	18,573	18,573	-	-	-	-	-	18,573	-	-
Recreation Total	18,573	18,573	-	-	-	-	-	18,573	-	-
Seniors										
J-Sei	9,110	9,110	-	-	-	-	-	9,110	-	-
Seniors Total	9,110	9,110	-	-	-	-	-	9,110	-	-
Youth										
Bay Area Community Resources	-	-	-	-	-	-	-	-	-	-
School Based Behavioral Health Services	94,964	94,964	-	-	-	-	-	94,964	-	-
Bay Area Hispano Institute for Advancement - Out of School Time Programs	21,447	21,447	-	-	-	-	-	21,447	-	-
Berkeley High School Bridge Program	79,000	79,000	-	-	-	-	-	79,000	-	-
Berkeley Youth Alternatives: Afterschool Program	30,000	30,000	-	-	-	-	-	30,000	-	-
Counseling	30,000	30,000	-	-	-	-	-	30,000	-	-
Counseling Center to meet demand for mental health services		125,000	-	-	-	-	-	-	125,000	-
Summer Jam Day Camp			-	-	-	-	-	-	35,000	-
Biotech Partners – Biotech Academy at Berkeley High	91,750	91,750	-	-	-	-	-	91,750	-	-
Ephesians School-Age Program	39,840	39,840	-	-	-	-	-	39,840	-	-
Lifelong Medical Care			-	-	-	-	-	-	-	-
Rosa Parks Collaborative	44,804	44,804	-	-	-	-	-	44,804	-	-
McGee Ave. Baptist Church		50,000	-	-	-	-	-	-	50,000	-
Voices Against Violence			-	-	-	-	-	-	-	-
Multicultural Institute Youth Mentoring	33,603	33,603	-	-	-	-	-	33,603	-	-

Agency/Individual Name	FY 2022 Actual	FY 2023 Adopted	CDBG	CSBG	ESG	Measure P	Measure U1	General Fund	General Fund/Re-imagining	Other Funds
Pacific Center for Human Growth - Safer Schools Project	23,245	23,245	-	-	-	-	-	23,245	-	-
RISE Program	216,039	216,039	-	-	-	-	-	216,039	-	-
Stiles Hall	90,000	90,000	-	-	-	-	-	90,000	-	-
Supplybank.Org (Formerly K to College)	-	30,000	-	-	-	-	-	30,000	-	-
Through The Looking Glass - Parenting Education and Kindergarten Readiness	25,000	25,000	-	-	-	-	-	25,000	-	-
UC Berkeley	-	-	-	-	-	-	-	-	-	-
BUILD Literacy/Cal Corp	95,360	95,360	-	-	-	-	-	95,360	-	-
Bridging Berkeley	34,640	34,640	-	-	-	-	-	34,640	-	-
YMCA of the East Bay - Y-Scholars Program	-	-	-	-	-	-	-	-	-	-
Y- Scholars Program	40,000	40,000	-	-	-	-	-	40,000	-	-
School Readiness Program	50,875	50,875	-	-	-	-	-	50,875	-	-
Youth Total	1,040,567	1,245,567	-	-	-	-	-	1,070,567	210,000	-
TOTAL COMMUNITY AGENCY ALLOCATIONS	31,519,975	24,262,329	1,900,471	160,000	212,033	13,791,322	200,000	5,813,272	210,000	2,010,231

Note: Community Development Block Grant (CDBG)/Emergency Solutions Grant (ESG)

*Subject to the Sugar – Sweetened Beverage Panel of Experts (POE) allocation.

CAPITAL IMPROVEMENT PROGRAM (CIP)

This section summarizes the City's Five-Year Capital Improvement Program (CIP) for FY 2023-2027 and the projects funded as part of the FY 23 & FY 24 Biennial Budget. Additional detailed information regarding the projects identified within the CIP is available in a separate document available at <https://berkeleyca.gov/your-government/financial-information/city-budget> entitled "Building a Better Berkeley" the City of Berkeley's Adopted FY 2023-FY 2027 Capital Improvement Program.

CAPITAL PROJECT DEFINITION

A capital project is a project that helps maintain, improve, or adds to the City's infrastructure. Typically, a project is considered a capital project if it results in an acquisition of a new asset or new construction, improvements, expansion, renovation, rehabilitation, repairs, or replacement of an existing City facility or other infrastructure assets. It usually requires a large investment of funding and staff resources. A capital project is expected to result in a long-term useful life and long-term benefit to the City and its residents. A completion of a capital project usually impacts the operating budget.

CAPITAL IMPROVEMENT PROGRAM AND CAPITAL BUDGET

In conjunction with the biennial budget process, the City of Berkeley prepares a CIP that identifies anticipated project expenditures over a five-year timeframe. The CIP represents the spending plan for infrastructure improvements and other specific large-scale recurring purchases. The first year of the CIP is known as the Capital Budget. It is intended to closely reflect that year's projected spending for capital projects and is usually adopted in conjunction with the City's annual operating budget. It is important to point out that the FY 2023 Capital Budget does not include capital project budgets which has previously been encumbered and unspent from the previous fiscal year. Projects and funding sources identified in subsequent years are not formally approved until the budget for those years is legally adopted. Beyond the first year, the CIP is a planning and budgetary management tool and subject to annual re-evaluation to reflect Council priorities, community needs and funding opportunities and challenges.

CITY INVENTORY OF ASSETS

A CIP is necessary as the City has an extensive portfolio of capital assets and infrastructure. Maintaining these assets is a costly and time-consuming enterprise that requires significant resources and constant attention. Additionally, Berkeley is an aging City and thus, its infrastructure faces challenges that other younger cities do not.

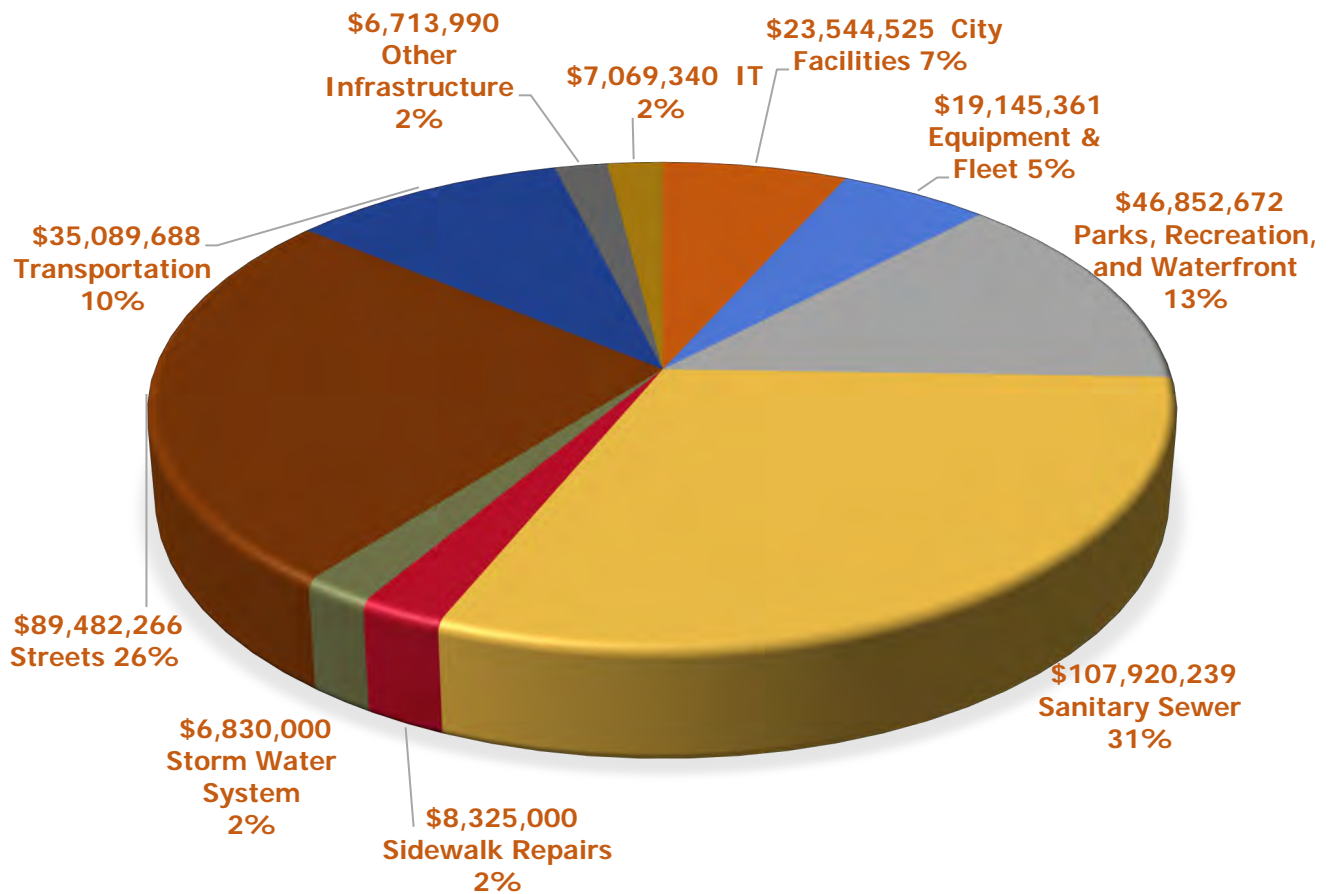
Below is a partial list of the City's capital inventory:

- 95 public buildings of various ages,
- Approximately 215 centerline miles of improved streets,
- Over 300 miles of concrete sidewalk,
- A storm drain system that consists of approximately 78 miles of underground pipes, maintenance holes, catch basins, and cross-drains
- A sewer system consisting of 255 miles of public sanitary sewer mains and 130 miles of public sewer laterals,
- 52.5 miles of bicycle infrastructure
- 250 park acres,
- 11.5 miles of medians,
- 175 acres of land in the Waterfront,
- Three resident camps outside of the City,
- A fleet of 730 vehicles and pieces of large equipment, and
- 42 different facilities served by the City's information technology systems.

OVERVIEW OF FIVE-YEAR CIP AND UNFUNDED NEEDS

Capital project funding comes from various sources including the discretionary General Fund (including the CIP Fund), as well as sources with spending and use restrictions comprising of a number of special revenue funds, enterprise funds, grants and bonds. The City uses outside funding sources to the greatest extent possible.

The five-year (FY 23 – FY 27) CIP Total is \$350.98 million. Enterprise Funds comprise 34% of the CIP (\$120,035,801), General Fund and CIP Fund covers 23% of the CIP (\$79,442,599), Special Revenue Funds is 19% (\$66,575,953), Capital Project Funds is 13% (\$45,526,943), Internal Service Funds comprise 6% (\$19,745,361), and Other One-Time Funding is 6% (\$19,646,423).



Despite support from a variety of City funds, City facilities and infrastructure needs continue to exceed available funds. The City’s unfunded capital needs have increased over the years and are anticipated to reach a five-year total of around \$1.65 billion from FY 2023 to FY 2027.

OVERVIEW OF FY 23 & FY 24 CAPITAL BUDGET

The FY 23 Capital Budget includes 111 projects totaling \$99.3 million. Of the \$99.3 million budget, approximately \$77.9 million is funded through various sources and \$21.4 million by the City’s General Fund, including the CIP Fund. FY 24 includes 121 projects with a budget of \$80.2 million. In FY 24, \$62.5 million of the \$80.2 million Adopted Capital Budget is funded from various sources and \$17.7 million from the CIP Fund. Funding by program category and by source are included on the tables on the next page.

Capital Program Category	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
City Facilities	\$8,168,925	\$6,505,034	\$14,673,959
Information Technology	\$3,619,340	\$1,450,000	\$5,069,340
Parks, Rec, and WF	\$16,671,474	\$16,692,864	\$33,364,339
Sanitary Sewer	\$19,764,924	\$20,813,315	\$40,578,239
Sidewalk	\$2,685,000	\$1,035,000	\$3,720,000
Storm Water System	\$3,175,000	\$2,305,000	\$5,480,000
Streets	\$18,282,866	\$19,427,866	\$37,710,732
Transportation	\$22,498,339	\$8,722,049	\$31,220,388
Other Infrastructure	\$1,642,798	\$892,798	\$2,535,596
Equipment & Fleet	\$2,829,074	\$2,388,550	\$5,217,624
	\$99,337,740	\$80,232,476	\$179,570,217

Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
General Fund	\$1,906,361	\$	\$1,906,361
CIP Fund	\$19,545,700	\$17,659,347	\$37,205,047
All Other Funds	\$77,885,679	\$62,573,129	\$140,458,809
Total	\$99,337,740	\$80,232,476	\$179,570,217

GENERAL FUND ALLOCATION TO CIP

The primary source of funding for the Capital Improvement Program Fund (CIP Fund) is an annual transfer from the City’s General Fund to the CIP Fund. The City’s General Fund consists of general purposes revenues that may be used for any general government purpose at the discretion of Council. For approximately the last decade, the General Fund fiscal year allocation to the CIP Fund has hovered between \$5.4 million to \$4.9 million (with the exception in FY 21 when the allocation was decreased due to ongoing economic impacts associated with coronavirus pandemic) without any increases to account for inflationary factors.

However, the biennial budget dramatically increases the General Fund baseline allocation to facilities, Parks, Recreation & Waterfront (PRW), and street maintenance while also supporting sidewalk repairs and general transportation needs, including traffic calming devices as illustrated in the table below.

Category	Prior Years GF Baseline	FY 23 Adopted GF Baseline	FY 24 Adopted GF Baseline
Facilities	\$ 900,000	\$ 1,400,000	\$ 1,000,000
PRW	\$ 400,000	\$ 1,900,000	\$ 2,400,000
Sidewalk	\$ 635,000	\$ 635,000	\$ 635,000
Streets	\$ 1,925,000	\$ 6,925,000	\$ 11,025,000
Transportation	\$ 170,000	\$ 170,000	\$ 240,000
Total	\$ 4,030,000	\$ 11,030,000	\$ 15,300,000

Given limited resources, a balance is required in terms of providing additional funding for ongoing deferred maintenance needs while also supporting other new one-time projects. Projects funded in FY 23 and FY 24 aligning with the City’s strategic plan goals; address critical public safety needs; advance the City’s efforts to implement its adopted climate action plan; and make smart investments to enhance City operations and achieve cost savings and other efficiencies.

SUMMARY OF FY 23 & FY 24 ADOPTED CIP LIST

The table on the next page identifies the adopted capital projects for Fiscal Years 2023 and 2024. It indicates the project status (new or continuing), the funding source and the adopted biennial budget for each project.

FY 2023 AND FY 2024 ADOPTED CIP COMPREHENSIVE LIST

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
1947 Center St. Improvements 1947 Center St. Improvements Total	Continuing	Measure T1	110,000 110,000	1,095,000 1,095,000	1,205,000 1,205,000
2022 Bicycle Plan 2022 Bicycle Plan Total	New	MTC	76,221 76,221	- -	76,221 76,221
50-50 Program 50-50 Program Total	New	Private Party Sidewalks	100,000 100,000	100,000 100,000	200,000 200,000
7TH/Anthony Traffic Signal Project 7TH/Anthony Traffic Signal Project 7TH/Anthony Traffic Signal Project 7TH/Anthony Traffic Signal Project Total	Continuing Continuing Continuing	CIP Fund BB-Loc St & Rd State Transportation Tax	82,559 1,293,476 170,465 1,546,500	- - - -	82,559 1,293,476 170,465 1,546,500
ADA Transition Plan Update Implementation ADA Transition Plan Update Implementation Total	New (Tier 1)	CIP Fund	250,000 250,000	500,000 500,000	750,000 750,000
Adeline South Transportation Improvements Adeline South Transportation Improvements Adeline South Transportation Improvements Total	Continuing Continuing	Capital Grants - Local BB-Loc St & Rd	495,000 165,000 660,000	- - -	495,000 165,000 660,000
African American Holistic Resource Center African American Holistic Resource Center Total	Continuing	Measure T1	1,057,777 1,057,777	333,333 333,333	1,391,111 1,391,111
Allston Way Permeable Pavers Maintenance Allston Way Permeable Pavers Maintenance Total	New	Clean Storm	230,000 230,000	- -	230,000 230,000
Animal Services License System Animal Services License System Total	New (Tier 1)	General Fund	14,000 14,000	- -	14,000 14,000
Aquatic Park Bolivar Improvements (600 Addison) Design Development Aquatic Park Bolivar Improvements (600 Addison) Design Development Total	New	Parks Tax	100,000 100,000	100,000 100,000	200,000 200,000

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
CONTINUATION OF CIP LIST					
Ashby/San Pablo Traffic Improvement	Continuing	CIP Fund	1,100,423	-	1,100,423
Ashby/San Pablo Traffic Improvement	Continuing	BB-Bike & Ped	45,976	-	45,976
Ashby/San Pablo Traffic Improvement	Continuing	BB-Loc St & Rd	572,176	-	572,176
Ashby/San Pablo Traffic Improvement	Continuing	Measure F - VRF	141,461	-	141,461
Ashby/San Pablo Traffic Improvement Total			1,860,036	-	1,860,036
Berkeley Strategic Transportation Plan 2022	New	BB-Loc St & Rd	294,525	-	294,525
Berkeley Strategic Transportation Plan 2022 Total			294,525	-	294,525
Bicycle Parking Project	New	Bay Area Air Quality	117,000	-	117,000
Bicycle Parking Project	New	Measure F - VRF	50,000	-	50,000
Bicycle Parking Project Total			167,000	-	167,000
Bike and Pedestrian Project	New	BB-Bike & Ped	75,000	75,000	150,000
Bike and Pedestrian Project	New	BB-Loc St & Rd	75,000	75,000	150,000
Bike and Pedestrian Project Total			150,000	150,000	300,000
Building Assessment	New	CIP Fund	77,175	81,034	158,209
Building Assessment Total			77,175	81,034	158,209
Bus canopies/bulb outs-Durant Complete Streets	New (Tier 1)	General Fund	336,000	-	336,000
Bus canopies/bulb outs-Durant Complete Streets Total			336,000	-	336,000
Bus Stop Concrete Pads	New	BB-Loc St & Rd	250,000	250,000	500,000
Bus Stop Concrete Pads Total			250,000	250,000	500,000
Business Licensing System Replacement	New (Tier 1)	CIP Fund	500,000	-	500,000
Business Licensing System Replacement Total			500,000	-	500,000
Carpet Project	New	CIP Fund	150,000	157,500	307,500
Carpet Project Total			150,000	157,500	307,500
Cedar Rose (2-5 And 5-12 Play Structure)	Continuing	CIP Fund	-	391,750	391,750
Cedar Rose (2-5 And 5-12 Play Structure)	Continuing	Parks Tax	-	875,000	875,000
Cedar Rose (2-5 And 5-12 Play Structure) Total*			-	1,266,750	1,266,750

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
CONTINUATION OF CIP LIST					
Cesar Chavez Park - New Restroom (On Spinnaker) Cesar Chavez Park - New Restroom (On Spinnaker) Total	Continuing	Measure T1	25,000 25,000	300,000 300,000	325,000 325,000
CIP Project Management & Planning Software CIP Project Management & Planning Software CIP Project Management & Planning Software Total	New New	BB-Loc St & Rd State Transportation Tax	300,000 250,000 550,000	- - -	300,000 250,000 550,000
City Streetlight Project City Streetlight Project Total	New	St Light Assessment	392,798 392,798	392,798 392,798	785,596 785,596
Civic Center Park – Turtle Garden Civic Center Park – Turtle Garden Civic Center Park – Turtle Garden Total	Continuing Continuing	Clean California Grant Measure T1	591,666 150,000 741,666	- - -	591,666 150,000 741,666
College & Alcatraz Avenues - Storm Drain Improvements College & Alcatraz Avenues - Storm Drain Improvements Total	New	Clean Storm	45,000 45,000	205,000 205,000	250,000 250,000
Convert 62nd St. between King St, and Adeline St. into a cul de sac/ marked bicycle lane Convert 62nd St. between King St, and Adeline St. into a cul de sac/ marked bicycle lane Total	New (Tier 1)	CIP Fund	300,000 300,000	- -	300,000 300,000
Corp Yard - Wash Station Compliance Corp Yard - Wash Station Compliance Total	New	Measure T1	50,000 50,000	150,000 150,000	200,000 200,000
Corp Yard Comprehensive Plan Corp Yard Comprehensive Plan Total	New	CIP Fund	440,000 440,000	- -	440,000 440,000
Corp Yard -Green Room Lockers, Bathroom, Training, Room, Floor, Cabinets - Building B Corp Yard -Green Room Lockers, Bathroom, Training, Room, Floor, Cabinets - Building B Total	New	Measure T1	65,000 65,000	900,000 900,000	965,000 965,000

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
CONTINUATION OF CIP LIST					
Customer Relationship Management System Replacement Customer Relationship Management System Replacement Total	New	IT Cost Allocation	600,000 600,000	- -	- 600,000
Deferred Maintenance - Gate, Paving, Parking, Fuel Island Deferred Maintenance - Gate, Paving, Parking, Fuel Island Total	New	Measure T1	50,000 50,000	50,000 50,000	100,000 100,000
Digital Permitting Software Replacement Digital Permitting Software Replacement Total	Continuing	Permit Service Center Fund	1,500,000 1,500,000	1,000,000 1,000,000	2,500,000 2,500,000
Dwight Way Traffic Calming Dwight Way Traffic Calming Total	New (Tier 1)	CIP Fund	50,000 50,000	- -	50,000 50,000
Dwight/California Intersection Improvements Dwight/California Intersection Improvements Dwight/California Intersection Improvements Total	Continuing Continuing	General Fund BB-Loc St & Rd	326,021 270,979 597,000	- - -	326,021 270,979 597,000
EBCE Solar+Storage at Fire Stations EBCE Solar+Storage at Fire Stations Total	New (Tier 1)	CIP Fund	100,000 100,000	- -	100,000 100,000
Emergency Power Supply- Solar Batteries Emergency Power Supply- Solar Batteries Total	New	Measure T1	80,000 80,000	70,000 70,000	150,000 150,000
Equipment & Fleet Replacements Equipment & Fleet Replacements Total	New	Equipment Fund	2,829,074 2,829,074	2,388,550 2,388,550	5,217,624 5,217,624
Evidence Storage Evidence Storage Total	New	CIP Fund	36,750 36,750	- -	36,750 36,750
Facilities Deferred Maintenance Investment (Increase Annual Baseline) Facilities Deferred Maintenance Investment (Increase Annual Baseline) Total	New (Tier 1)	CIP Fund	250,000 250,000	500,000 500,000	750,000 750,000
FY2023 Sewer Master Plan FY2023 Sewer Master Plan Total	Continuing	Sanitary Sewer	530,000 530,000	- -	530,000 530,000

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
CONTINUATION OF CIP LIST					
FY2023 Sewer Rehabilitation, Hearst, University et al FY2023 Sewer Rehabilitation, Hearst, University et al Total	New	Sanitary Sewer	8,417,083 8,417,083	- -	8,417,083 8,417,083
FY2023 Sewer Rehabilitation, Parnassus et al FY2023 Sewer Rehabilitation, Parnassus et al Total	New	Sanitary Sewer	7,697,250 7,697,250	- -	7,697,250 7,697,250
FY2023 Urgent Sewer Rehabilitation FY2023 Urgent Sewer Rehabilitation Total	New	Sanitary Sewer	525,000 525,000	- -	525,000 525,000
FY2024 Consent Decree Mid-Course Check-Implement PEP FY2024 Consent Decree Mid-Course Check-Implement PEP Total	New	Sanitary Sewer	- -	500,000 500,000	500,000 500,000
FY2024 Sewer Capacity Improvements FY2024 Sewer Capacity Improvements Total	New	Sanitary Sewer	- -	2,000,000 2,000,000	2,000,000 2,000,000
FY2024 Sewer Rehabilitation, Cedar, Virginia, et al FY2024 Sewer Rehabilitation, Cedar, Virginia, et al Total	New	Sanitary Sewer	787,464 787,464	7,087,175 7,087,175	7,874,639 7,874,639
FY2024 Sewer Rehabilitation, Cragmont-Marin et al FY2024 Sewer Rehabilitation, Cragmont-Marin et al Total	New	Sanitary Sewer	950,627 950,627	8,555,640 8,555,640	9,506,267 9,506,267
FY2024 Urgent Sewer Rehabilitation FY2024 Urgent Sewer Rehabilitation Total	New	Sanitary Sewer	27,500 27,500	577,500 577,500	605,000 605,000
FY2025 Adeline-Shattuck Rehabilitation FY2025 Adeline-Shattuck Rehabilitation Total	New	Sanitary Sewer	- -	1,233,000 1,233,000	1,233,000 1,233,000
FY2025 Third Street Sewer (Railroad) Rehabilitation FY2025 Third Street Sewer (Railroad) Rehabilitation Total	New	Sanitary Sewer	830,000 830,000	830,000 830,000	1,660,000 1,660,000
FY2025 Urgent Sewer Rehabilitation FY2025 Urgent Sewer Rehabilitation Total	New	Sanitary Sewer	- -	30,000 30,000	30,000 30,000

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
CONTINUATION OF CIP LIST					
FY23 Tree Planting FY23 Tree Planting Total	New	Parks Tax	75,000 75,000	- -	75,000 75,000
FY24 Tree Planting FY24 Tree Planting Total	New	Parks Tax	- -	75,000 75,000	75,000 75,000
Green Infrastructure Projects - Storm Water Quality Improvement Green Infrastructure Projects - Storm Water Quality Improvement Total	New	Clean Storm	150,000 150,000	400,000 400,000	550,000 550,000
Grove Park Phase 2 Grove Park Phase 2 Grove Park Phase 2 Grove Park Phase 2 Total*	Continuing Continuing Continuing	CIP Fund Measure T1 Parks Tax	391,750 700,000 750,000 1,841,750	- - - -	391,750 700,000 750,000 1,841,750
Harrison Park - Restroom Renovation Harrison Park - Restroom Renovation Total	Continuing	Measure T1	50,000 50,000	50,000 50,000	100,000 100,000
Hopkins Street Corridor Project Hopkins Street Corridor Project Hopkins Street Corridor Project Total	New (Tier 1) Continuing	CIP Fund BB-Loc St & Rd	150,000 150,000 300,000	150,000 660,000 810,000	300,000 810,000 1,110,000
Implement State Law AB 43 for Reduced Speed Limits on High-Injury Commercial Corridors Implement State Law AB 43 for Reduced Speed Limits Total	New (Tier 1)	CIP Fund	50,000 50,000	- -	50,000 50,000
Increase in PRW CIP Baseline Contribution Increase in CIP Baseline Contribution Total	New (Tier 1)	CIP Fund	1,500,000 1,500,000	2,000,000 2,000,000	3,500,000 3,500,000
Jail Control Panel Replacement Jail Control Panel Replacement Total	New (Tier 1)	CIP Fund	500,000 500,000	- -	500,000 500,000
K Dock Restroom Renovation K Dock Restroom Renovation Total	Continuing	Measure T1	37,500 37,500	325,000 325,000	362,500 362,500

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
CONTINUATION OF CIP LIST					
Legal Case Management and Practice Management Software Total Legal Case Management and Practice Management Software Total	New (Tier 1)	General Fund	55,340 55,340	- -	55,340 55,340
Marina Capital Marina Capital Total*	New	Marina Fund	342,781 342,781	342,781 342,781	685,562 685,562
Martin Luther King Jr. Way Vision Zero Quick Build Martin Luther King Jr. Way Vision Zero Quick Build Martin Luther King Jr. Way Vision Zero Quick Build Total	Continuing Continuing	Capital Grants - State BB-Bike & Ped	570,000 216,200 786,200	- - -	570,000 216,200 786,200
Miscellaneous Storm Drain Improvements - Shasta Road, Milvia, 2nd Street, 8th Street & Various locations Miscellaneous Storm Drain Improvements - Shasta Road, Milvia, 2nd Street, 8th Street & Various locations Total	New	Clean Storm	500,000 500,000	- -	500,000 500,000
MLK Youth Services Center MLK Youth Services Center Total	Continuing	Measure T1	- -	6,000,000 6,000,000	6,000,000 6,000,000
Municipal Electric Vehicle Charging Infrastructure Municipal Electric Vehicle Charging Infrastructure Total	New (Tier 1)	General Fund	1,150,000 1,150,000	- -	1,150,000 1,150,000
NB/Sacramento Street Complete Streets Project NB/Sacramento Street Complete Streets Project Total	Continuing	BB-Bike & Ped	250,000 250,000	- -	250,000 250,000
Ohlone (Milvia) Ages 2-5, 5-12, Garden Mural, Exercise Ohlone (Milvia) Ages 2-5, 5-12, Garden Mural, Exercise Ohlone (Milvia) Ages 2-5, 5-12, Garden Mural, Exercise Total	Continuing Continuing	Measure T1 Parks Tax	400,000 300,000 700,000	100,000 - 100,000	500,000 300,000 800,000

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
CONTINUATION OF CIP LIST					
Ohlone Greenway Modernization & Safety	New	Capital Grants - Local	-	1,057,000	1,057,000
Ohlone Greenway Modernization & Safety	New	BB-Bike & Ped	77,900	564,500	400,000
Ohlone Greenway Modernization & Safety	New	Measure F - VRF		400,000	
Ohlone Greenway Modernization & Safety Total			77,900	2,021,500	2,099,400
Ohlone Park - New Restroom	Continuing	Measure T1	50,000	50,000	100,000
Ohlone Park - New Restroom Total			50,000	50,000	100,000
Ohlone Park Lighting	Continuing	Measure T1	125,000	75,000	200,000
Ohlone Park Lighting Total			125,000	75,000	200,000
Oxford & Telegraph Channing Garage Restrooms	New	Measure T1	200,000	-	200,000
Oxford & Telegraph Channing Garage Restrooms Total			200,000	-	200,000
Paperless Contract Workflow System	New (Tier 1)	CIP Fund	400,000	-	400,000
Paperless Contract Workflow System Total			400,000	-	400,000
Parker Street to Addison Bikeway	New	Capital Grants - State	737,237	-	737,237
Parker Street to Addison Bikeway	New	BB-Loc St & Rd	192,763	29,863	222,626
Parker Street to Addison Bikeway Total			930,000	29,863	959,863
Pathways Repairs & Improvements	New	Measure T1	150,000	-	150,000
Pathways Repairs & Improvements Total			150,000	-	150,000
Pavement Markings & Thermo Marking	New	BB-Loc St & Rd	250,000	250,000	500,000
Pavement Markings & Thermo Marking Total			250,000	250,000	500,000
Piedmont/Channing Traffic Circle-Ped and Street Lighting	New	UC Settlement	250,000	-	250,000
Piedmont/Channing Traffic Circle-Ped and Street Lighting Total			250,000	-	250,000
Piling Replacements	New (Tier 1)	CIP Fund	850,000	650,000	1,500,000
Piling Replacements	New	Marina Fund	300,000	-	300,000
Piling Replacements	New	Measure T1	1,200,000	-	1,200,000
Piling Replacements Total			2,350,000	650,000	3,000,000
Prince & Dana Street - Storm Drain Improvements	New	Clean Storm	150,000	450,000	600,000
Prince & Dana Street - Storm Drain Improvements Total			150,000	450,000	600,000

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
CONTINUATION OF CIP LIST					
Proactive and Responsive Sidewalk Repair	New	CIP Fund	635,000	635,000	1,270,000
Proactive and Responsive Sidewalk Repair	New	BB-Loc St & Rd	100,000	100,000	200,000
Proactive and Responsive Sidewalk Repair	New	Measure F - VRF	100,000	100,000	200,000
Proactive and Responsive Sidewalk Repair	New	State Transportation Tax	100,000	100,000	200,000
Proactive and Responsive Sidewalk Repair Projects Total			935,000	935,000	1,870,000
Property Tax Assessment System Replacement	New (Tier 1)	CIP Fund	-	450,000	450,000
Property Tax Assessment System Replacement Total			-	450,000	450,000
Public Safety Building Projects	New	CIP Fund	150,000	157,500	307,500
Public Safety Building Projects Total			150,000	157,500	307,500
Purchase of Electric Bicycles for City Use	New (Tier 1)	General Fund	25,000	-	25,000
Purchase of Electric Bicycles for City Use Total			25,000	-	25,000
Restrooms in the ROW (2-3)	New	Measure T1	350,000	350,000	700,000
Restrooms in the ROW (2-3)	New	UC Settlement	130,000	-	130,000
Restrooms in the ROW (2-3) Total			480,000	350,000	830,000
Roof Replacement	New	CIP Fund	180,000	189,000	369,000
Roof Replacement Total			180,000	189,000	369,000
Sacramento Street Pedestrian Safety Improvements (HSIP)	New	Capital Grants - State	-	250,000	250,000
Sacramento Street Pedestrian Safety Improvements (HSIP)	New	BB-Loc St & Rd	208,666	113,592	322,258
Sacramento Street Pedestrian Safety Improvements (HSIP) Total			208,666	363,592	572,258
Santa Fe Right of Way	Continuing	Clean California Grant	1,000,000	3,700,000	4,700,000
Santa Fe Right of Way Total			1,000,000	3,700,000	4,700,000
Semi-diverter traffic bollards at the intersection of Newbury Street and Ashby Avenue	New (Tier 1)	CIP Fund	50,000	-	50,000
Semi-diverter traffic bollards Total			50,000	-	50,000

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
CONTINUATION OF CIP LIST					
Shattuck Ave & Martin Luther King Jr. Way Bus Stop Upgrades	New	Capital Grants - State	709,877	-	709,877
Shattuck Ave & Martin Luther King Jr. Way Bus Stop Upgrades	New	BB-Loc St & Rd	28,583	156,326	184,909
Shattuck Ave & Martin Luther King Jr. Way Bus Stop Upgrades Total			738,460	156,326	894,786
Sidewalk Maintenance & Safety Repairs	New	Measure T1	1,500,000	-	1,500,000
Sidewalk Maintenance & Safety Repairs Total			1,500,000	-	1,500,000
South Berkeley Senior Center	New	Measure T1	110,000	120,000	230,000
South Berkeley Senior Center Total			110,000	120,000	230,000
South Sailing Basin Dredging	New (Tier 1)	CIP Fund	350,000	-	350,000
South Sailing Basin Dredging Total			350,000	-	350,000
Southside Complete Streets	Continuing	Capital Grants - Fed	7,501,276	-	7,501,276
Southside Complete Streets	Continuing	BB-Loc St & Rd	1,000,000	-	1,000,000
Southside Complete Streets	Continuing	UC Settlement	1,300,000	1,300,000	2,600,000
Southside Complete Streets Total			9,801,276	1,300,000	11,101,276
Storage Room - Roof Repair Bldg. H	New	Measure T1	30,000	495,000	525,000
Storage Room - Roof Repair Bldg. H Total			30,000	495,000	525,000
Storm Drain Imprvmt -Marin, Virginia & Spruce	Continuing	Measure T1	50,000	-	50,000
Storm Drain -Marin, Virginia & Spruce Total			50,000	-	50,000
Strawberry Creek- Culvert Repairs	New	CIP Fund	250,000	750,000	1,000,000
Strawberry Creek- Culvert Repairs Total			250,000	750,000	1,000,000
Street Rehabilitation FY 2023	New	CIP Fund	2,127,563	-	2,127,563
Street Rehabilitation FY 2023	New	BB-Loc St & Rd	4,480,000	-	4,480,000
Street Rehabilitation FY 2023	New	Measure F - VRF	780,000	-	780,000
Street Rehabilitation FY 2023	New	Measure T1	3,450,000	-	3,450,000
Street Rehabilitation FY 2023					
Street Rehabilitation FY 2023	New	State Transp. Tax	2,195,303	-	2,195,303
Street Rehabilitation FY 2023 Total*			13,032,866	-	13,032,866

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
CONTINUATION OF CIP LIST					
Street Rehabilitation FY 2024	New	CIP Fund	-	1,877,563	1,877,563
Street Rehabilitation FY 2024	New	BB-Loc St & Rd	-	3,100,000	3,100,000
Street Rehabilitation FY 2024	New	Measure F - VRF	-	155,000	155,000
Street Rehabilitation FY 2024	New	Measure T1	-	3,000,000	3,000,000
Street Rehabilitation FY 2024	New	State Transportation Tax	-	2,195,303	2,195,303
Street Rehabilitation FY 2024 Total*			-	10,327,866	10,327,866
Street Rehabilitation PCI Improvement Project	New (Tier 1)	CIP Fund	5,000,000	9,100,000	14,100,000
Street Rehabilitation PCI Project Total			5,000,000	9,100,000	14,100,000
T1 - Fire Station 2-6	Continuing	Measure T1	160,000	2,190,000	2,350,000
T1 - Fire Station 2-6 Total			160,000	2,190,000	2,350,000
TDA West Berkeley Vision Zero Quick Build Project	New	MTC	174,000	-	174,000
TDA West Berkeley Vision Zero Quick Build Project Total			174,000	-	174,000
Telegraph Avenue Bus Pads	New	BB-Loc St & Rd	120,000	480,000	600,000
Telegraph Avenue Bus Pads Total			120,000	480,000	600,000
Telegraph Avenue Multimodal Corridor	New	Capital Grants - Local	290,000	-	290,000
Telegraph Avenue Multimodal Corridor	New	BB-Loc St & Rd	170,000	-	170,000
Telegraph Avenue Multimodal Corridor Total			460,000	-	460,000
Telegraph Channing Garage Elevator	New (Tier 1)	CIP Fund	3,600,000	-	3,600,000
Telegraph Channing Garage Elevator Total			3,600,000	-	3,600,000
Tom Bates Restroom/ Community Space	Continuing	Measure T1	200,000	1,325,000	1,525,000
Tom Bates Restroom/ Community Space	Continuing	Parks Tax	125,000	-	125,000
Tom Bates Restroom/ Community Space Total			325,000	1,325,000	1,650,000
Traffic Calming Devices Maintenance & Repair	New	BB-Bike & Ped	50,000	50,000	100,000
Traffic Calming Devices Maintenance & Repair Total			50,000	50,000	100,000

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
CONTINUATION OF CIP LIST					
Traffic Calming Program	New (Tier 1)	CIP Fund	-	70,000	70,000
Traffic Calming Program	New	BB-Bike & Ped	75,000	75,000	150,000
Traffic Calming Program	New	BB-Loc St & Rd	75,000	75,000	150,000
Traffic Calming Program Total			150,000	220,000	370,000
Transportation Impact Studies	Continuing	B-Bike & Ped	100,000	-	100,000
Transportation Impact Studies Total			100,000	-	100,000
Underground Tank Removal and Replacement	New	Zero Waste	400,000	-	400,000
Underground Tank Removal and Replacement Total			400,000	-	400,000
University Avenue West Bus Stop Improvements	New	Capital Grants - State	422,480	-	422,480
University Avenue West Bus Stop Improvements	New	BB-Loc St & Rd	191,995	-	191,995
University Avenue West Bus Stop Improvements Total			614,475	-	614,475
Vision Zero Intersection Visibility Project	New	BB-Loc St & Rd	-	300,000	300,000
Vision Zero Intersection Visibility Project Total			-	300,000	300,000
Vision Zero Program	New	BB-Loc St & Rd	200,000	200,000	400,000
Vision Zero Program Total			200,000	200,000	400,000
Warehouse Project	New	Measure Q	800,000	-	800,000
Warehouse Project Total			800,000	-	800,000
Washington Elementary Safe Routes to School	New	Capital Grants - Local	52,000	-	52,000
Washington Elementary Safe Routes to School	New	BB-Loc St & Rd	52,000	-	52,000
Washington Elementary Safe Routes to School Total			104,000	-	104,000
Watershed Management Plan & Stormwater Master Plan Update	New	Clean Storm	500,000	500,000	1,000,000
Watershed Management Plan & Stormwater Master Plan Update Total			500,000	500,000	1,000,000
Wildcat Canyon Road Repairs	Continuing	Clean Storm	700,000	-	700,000
Wildcat Canyon Road Repairs	Continuing	BB-Loc St & Rd	600,000	-	600,000
Wildcat Canyon Road Repairs Total			1,300,000	-	1,300,000

Capital Projects	Project Status	Funding Source	FY 2023 Adopted	FY 2024 Adopted	Biennial Total
CONTINUATION OF CIP LIST					
Willard Clubhouse/Restroom Replacement Willard Clubhouse/Restroom Replacement Total	Continuing	Measure T1	6,000,000 6,000,000	- -	6,000,000 6,000,000
Woolsey / Eton Intersection-Traffic Calming	New	CIP Fund	24,480	-	24,480
Woolsey / Eton Intersection-Traffic Calming	New	BB-Loc St & Rd	178,000	-	178,000
Woolsey / Eton Intersection-Traffic Calming	New	B-Loc St & Rd	162,100	-	162,100
Woolsey / Eton Intersection-Traffic Calming Total			364,580	-	364,580
Woolsey-Fulton Bike Boulevard	New	Capital Grants - State	247,000	1,655,666	1,902,666
Woolsey-Fulton Bike Boulevard	New	BB-Bike & Ped	159,500	485,102	644,602
Woolsey-Fulton Bike Boulevard Total			406,500	2,140,768	2,547,268
Grand Total			99,337,740	80,232,476	179,570,217

Cedar Rose (2-5 And 5-12 Play Structure) Total*

CIP Fund Baseline \$400,000. \$391,750 is amount after Public Arts and Employment Source contribution taken out.

Grove Park Phase 2 Total*

CIP Fund Baseline \$400,000. \$391,750 is amount after Public Arts and Employment Source contribution taken out.

Marina Capital Total*

Marina Baseline \$350,000. \$342,781 is amount after Public Arts and Employment Source contribution taken out.

Street Rehabilitation FY 2023 Total*

CIP Fund Baseline minus Contribution to Employment Source and Public Arts plus \$250,000 from FY 2022 St Rehab unspent.

Street Rehabilitation FY 2024 Total*

CIP Fund Baseline minus Contribution to Employment Source and Public Arts.

GLOSSARY OF BUDGET TERMS

Accounting System – The total set of records and procedures used to record, classify, and report information on the financial status and operations of an entity.

Adopted Budget - The budget document formally approved by the City Council.

Amended Budget – The Adopted budget plus any modifications (increase, decrease, or transfer) approved by the City Council during the two amendments to the annual appropriation ordinance (AAO#1 and AAO#2).

American Rescue Plan Act (ARPA) – a bill signed into law in 2021 to provide additional relief to address the continued impact of the COVID-19 pandemic on the US economy, public health, state and local governments, individuals and businesses.

Appropriation – An authorization granted by the City Council to make expenditures and to incur obligations for purposes specified in the Appropriation Ordinance. An appropriation is usually for a fixed amount and time limited, and must be expended before the deadline.

Assessed Valuation – A valuation set upon real estate or other property by the County Assessor and the State as a basis for levying taxes.

Assets – Resources owned or controlled by the City that have value and available to meet debts and obligations.

Balanced Budget – A budget in which planned expenditures are equal to or do not exceed planned revenue in the same fiscal year.

Baseline Budget – Resources necessary to meet an established and existing service level.

Basis of Budgeting - Basis of budgeting refers to the method used for recognizing revenues and expenditures in budget. The City uses the modified accrual basis of accounting for budgetary purposes, which follows Generally Accepted Accounting Principles.

Beginning Fund Balance – Fund balance available in a fund from the end of the prior year for use in the following year.

Biennial Budget – The financial plan of the City with estimates of expenditures and revenues for a two-year period that expresses the City's values and strategic plans.

Bond – A City may raise capital funds by issuing a written promise to pay a specified sum of money, called the face value or principal amount; at a specified date or dates in the future, together with the periodic interest at a specified rate.

Budget Calendar – The schedule of key dates or milestones that a government follows in the preparation and adoption of the budget.

Budget Document – The official published instrument that shows the comprehensive budget prepared by the budget office and supporting staff.

Budget Message – A general written description summarizing the proposed budget. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

Budget Modification – A change of expenditure levels and corresponding resources needed to accomplish an existing service level or unanticipated service. All budget modifications are reflected in the current year budget and are approved by the City Council through the Annual Appropriations Ordinance.

Budget Supplement – A request for an increase or decrease in an existing service level (over and above the baseline budget).

Camps Fund (Playground Camps) - A special revenue fund established to account for the revenue and expenses to operate and maintain the City's resident camps and day camp, including Berkeley Tuolumne Camp (BTC), Echo Lake Camp, Cazadero Camp and Berkeley Day Camp.

Capital Budget – A plan for capital expenditures and the means of financing them during the first year of the Capital Improvement Program. Included are expenditures made for land, building, permanent public works projects, major reconstruction or renovation of structures, and major landscaping or park improvements.

Capital Improvement Program (CIP) Fund - Established to pay for some of the City's capital projects. The primary source of funding for the CIP Fund is an annual transfer from the General Fund to the CIP Fund. The secondary source of funding is the excess property transfer tax over a certain amount (depends on current fiscal policy).

Capital Improvement Program (CIP) – A multi-year spending plan for infrastructure improvements and other specific large-scale recurring purchases. The City creates a five-year CIP while industry standard varies from 5-30 years.

Capital Outlay – Expenditures to maintain, upgrade, acquire, or repair capital assets.

Capital Project – A project that helps maintain, improve, or adds to the City’s infrastructure. Typically, a project is considered a capital project if it results in an acquisition of a new asset or new construction, improvements, expansion, renovation, rehabilitation, repairs, or replacement of an existing City facility or other infrastructure assets.

Carryover – Appropriated balance of funds from prior fiscal year brought forward to the new fiscal year.

CDBG – The Community Development Block Grant (CDBG) is a federal program for the development of housing and community projects. Funds are awarded to community-based agencies on an annual basis to carry out these activities.

City Charter – Legal authority approved by the voters of the City of Berkeley under the State of California Constitution establishing the government organization.

Clean Storm Water Fund - Provides the funding for the maintenance and improvement of the City’s storm water drainage system to reduce the pollutants in storm water from entering local creeks and the Bay. Revenue to this fund is from the collection of fees charged to every owner of real property in the city of Berkeley and is collected through property taxes

Community Agencies - Non-City agencies in Berkeley which provide public services with some financial assistance from the City. These monies may come either from the General Fund or community block grants from the Federal government.

Contingency – Funds appropriated by the City Council for unforeseen needs.

Contracted Services – Fees paid to external parties who provide services to the City in support of City operations.

Debt Service – Actual cost of interest and principal on bond maturities as well as revenue anticipation notes.

Debt Service Funds – Funds used for the accumulation of resources set aside to meet current and future debt service obligations on long-term debt.

Deficit – An excess of expenditure or liabilities over revenue or assets during a set period, usually a fiscal year.

Department - An organizational unit comprised of divisions or programs. It is possible for a department to be comprised of only one division.

Discretionary Revenue – Revenue that the City Council has the authority to allocate for any purpose. Often refers to the General Fund, as opposed to Special Funds.

Division – A functional grouping of related activities within a department. There are usually several activities within a division.

Dual Appropriation – Revenue that is initially budgeted for receipt in one fund and subsequently transferred for expenditure in another fund.

Encumbrance – Funds not yet expended and are delegated or set aside in anticipation of an expenditure in the form of a purchase order, contract, or other commitment, chargeable to an appropriation. These funds cease to be an encumbrance when paid.

Enterprise Fund - Funds intended to be self-supporting and are used for activities which fees are charged to external customers for goods or services.

Expenditure – Designates the cost of goods delivered or services rendered, whether paid or unpaid. Where accounts are kept on the accrual or modified accrual basis of accounting, costs are recorded when goods are received or services rendered. Where accounts are kept on a cash basis, expenditures are recognized when the cash payments are made.

Fees – A charge to cover the cost of services (e.g., building inspection fee, zoning fee, etc.).

Fiscal Year – A twelve-month period of time to which the budget applies. For the City of Berkeley, this period is from July 1 through June 30.

Fixed Asset – A tangible item of a long-term character such as land, buildings, furniture, and other equipment with a unit cost in excess of \$5,000.

Fringe Benefits – Benefits to City employees, in addition to salaries, paid by the City. These benefits include social security, pensions, workers' compensation, unemployment compensation, life and health insurance.

Fiduciary Funds – Funds used to account for resources held for the benefit of parties outside the City of Berkeley. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

Full Time Equivalency (FTE) – One or more employee positions totaling one full year of service or approximately 2,080 hours a year. The number of full-time equivalent positions are funded in the budget.

Fund – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations.

Fund Balance – Within a specific operating fund, the net of expenditures and revenues.

Funding Source – Identifies fund(s) that will provide resources for City expenditures.

Gas Tax Fund – This fund is required by State law to account for gas tax revenues received from the State and expended for construction and maintenance of City streets.

General Fund – The primary operating fund of the City. It is discretionarily used for multiple purposes and has the most flexibility in how funding can be spent.

General Obligation (GO) Bond – A bond whose repayment is guaranteed by pledging all the assets and revenues of a government agency.

General Plan – The General Plan is a long-range planning document that provides the City a framework for action and the direction in which to focus that action. General Plan Elements are areas in which the City has elected to administer and manage the delivery of services to its community.

General Fund Revenue – General sources of income the City collects and receives into the Treasury for public use (e.g., property tax). There are no restrictions as to the use of these monies - often referred to as Discretionary Revenue.

Governmental Funds – Funds used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The City maintains several individual governmental funds organized by their type (general, special revenue, debt service, and capital projects funds).

Grant – A contribution from one government unit to another, usually made for a specific purpose and time period.

Indirect Cost – Necessary costs incurred for the functioning of an organization as a whole and not readily assignable to specific cost objectives, such as administrative support.

Infrastructure – Facilities, structures, and utilities needed for the functioning of a community or society intended for long-term use such as roads, water lines, sewers, public buildings, and parks.

Interest Income – Revenue earned during a specific time period from an organization's investments that pay interest.

Interfund Transfers – Monies appropriated from one fund to another fund. This is done to reimburse the fund for expenses or to finance the operation of the other fund.

Interdepartmental Charges – Departments charging to perform or provide specific services to other City departments on a cost for services basis. The services performed are charged to the using department.

Internal Service Funds – These are funds used to account for goods and services provided by certain City departments or programs to other City departments or programs of the City on a cost-reimbursement fee basis.

Library Tax Fund - Provides funding for the Berkeley Public Library system. The primary source of revenue to the fund is the Library Tax, which was originally established in 1980 and reauthorized in 1988.

Lost Time – A measure used by departments to measure excessive absenteeism. It is derived by adding an employee's sick time, workers' compensation, and any other unpaid absences.

Mandate (Mandated Services) – A legal requirement, usually imposed by State or Federal law. This term is used to refer to City services, which are provided to comply with State or Federal laws.

Marina Fund - Fees generated from vessels that berth at the Marina, commercial building and ground leases and special events provide the revenue that funds the operations at the Berkeley Waterfront, including University Avenue and the Bay Trail, from Frontage Road to Marina Boulevard; and all land, infrastructure and Marina waters west of Marina Blvd.

Materials, Supplies and Services – Expenditures for materials, supplies and related services which are ordinarily consumed within a fiscal year and which are not included in department inventories.

Measure GG - Berkeley voters approved the Measure GG Fire and Disaster Tax in November 2008 to stop rotating fire station closures and to fund advanced life support personnel, equipment, and training. Voters also aimed to bolster community emergency response and disaster preparedness by providing training, equipment, and education to Berkeley community members.

Measure FF - Approved by Berkeley voters in November 2020. The revenue from this tax is used to fund firefighter and emergency medical response, upgrades to the 9-1-1 dispatch system, hazard mitigation, and wildfire prevention and preparedness activities.

Municipal Code – A book that contains City Council approved ordinances presently in effect. The Code defines City policies in various categories.

Off-Street Parking Fund - An enterprise fund used for capital, operation, and maintenance of off-street parking facilities (garages). The City of Berkeley owns three garages (Center Street Garage, Oxford Garage, and Telegraph Channing Garage).

Operating Budget – A programmatic, financial, and organizational plan for furthering the goals of the City Council through departments of the City, which does not include capital improvement projects.

Operating Expenses – Expenses incurred as a result of day-to-day operations.

Ordinance – A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries unless it is in conflict with any higher form of law, such as a State statute or constitutional provision. An ordinance has higher legal standing than a resolution. A law set forth by a government authority, specifically, a municipal regulation.

Parking Meter Fund – An enterprise fund that provides the funding for the maintenance, collection, capital, and enforcement of parking meters. Revenue is generated through payments made by hourly parkers using “pay and display” parking meters and single space parking meters from the City’s eight parking meter routes.

Parks Tax Fund - A special tax charged to Berkeley property owners on a square foot basis and is used to fund the maintenance of parks, city trees, and landscaping in the City of Berkeley. Berkeley voters approved the tax in May 1997 to replace the Landscape Assessment District.

Performance Measure – A performance indicator is a measurement designed by a reasoning process to determine whether or not a service objective has been met. It measures the effectiveness of achieving the objective or how well the objective has been accomplished.

Permit Service Center Fund - Serves as the fund for the collection of zoning fees, building fees, and plan check fees. The fees are established by the City Council through a public hearing and adoption of a resolution establishing a fee schedule.

PERS (CalPERS) – Public Employees Retirement System. - A pension plan administered by the State of California for government agencies.

Personnel Expenditures – Salaries and wages paid to employees.

Program Revenues – Revenues received by a department as a result of the services or operations of that department (such as user fees), which are used to finance the related services or programs. Program Revenue is not discretionary (general-purpose) revenue.

Property Tax – California State Constitution Article XIII A provide that the combined maximum property tax rate on any given property equal 1% of its assessed value unless an additional amount has been approved by voters for special taxes or general obligation bonds. The County assesses properties, bills and collects these property taxes. The County remits the City’s share, including all penalties and interest.

Property Transfer Tax – This tax is levied at a rate of \$1.50 per \$100 of the value of consideration of equity value transferred. The County collects the tax and the City receives the revenues. The City can use up to one third of the revenue for seismic retrofits. Revenues are dependent on how frequently the property is transferred and on the accrued value at the time of transfer.

Proposed Budget – The working document for the fiscal year under discussion.

Proposition 218 – Approved by California voters in November 1996 that limits local government revenue powers. This constitutional amendment protects taxpayers by limiting the methods by which local governments can create or increase taxes, fees and charges without taxpayer consent. Proposition 218 requires voter approval prior to imposition or increase of general taxes, assessments, and certain user fees.

Proprietary Funds – Generally used in governmental accounting to account for activities that involve business-like services for which the City charges outside customers or internal departments of the City.

Purchase Order – Authorizes the delivery of specific goods or services, and incurrence of debt for them.

Redevelopment Agency Fund - This fund accounts for the activities of the Redevelopment Agency of the City, which was created by the City Council and carry out redevelopment plans for designated areas of the City.

Repairs and Maintenance – Expenditures for repairs and maintenance of all equipment and supplies, buildings, structures and grounds.

Reserve – An account used to set aside a portion of the fund balance to meet any future costs or financial obligations, whether for legal obligations or those arising unexpectedly.

Resolution – A special order of the City Council that requires less legal formality than an ordinance in terms of public notice and the number of public readings prior to approval.

Revenue Bonds – A type of bond usually issued to construct facilities. The bonds are repaid from revenue produced by the operation of those facilities.

Revenues – Amounts estimated to be available for appropriation during the fiscal year. Included are carry-over balances and new revenues.

Salary Savings – That percentage or dollar amount of salaries which can be expected to be unspent during the fiscal year due to vacancies and employees receiving less than the top-step pay of the classification.

Sales Tax - The City receives one percent of the 10.25% of taxes assessed on retail sales or leases of tangible personal property in the City.

Sanitary Sewer Fund – Established to pay for the costs of operation, maintenance, rehabilitation and improvement of the City's sanitary sewer collection system. Sewer service fees are charged to users of the City's sanitary system

Secured Taxes – Taxes levied on real properties in the City which are "secured" by liens on the properties.

Service Level – Indicates a project's effect on existing levels of service provision or identifies a new service to be provided to the public.

Special Assessment Fund - A fund used to account for the financing of public improvements or services deemed to benefit primarily the properties against which special assessments are levied.

Special Revenue Funds – Funds that are restricted or committed to expenditures for specific purposes and therefore cannot be used for other expenses.

Spending Limitation (Gann Limit) – Article XIII B of the California Constitution establishes a spending limitation on government agencies within California. The spending limit is a mandated calculation of how much the City is allowed to expend in one fiscal year. The amounts of appropriations subject to the limit are budgeted proceeds of taxes. The total of these budgeted revenues cannot exceed the total appropriations limit. Annually, local governments may increase the appropriate limit by a factor comprised of the change in population combined with the California inflation rate as determined by the State Finance Department.

Strategic Plan – An organization's long-term plan that aims to establish and achieve the organizational goals. It determines the scope and direction of an organization.

Street Light Assessment District Fund - Provides for maintenance of the City's 8,011 streetlights along the public streets, parking lots, pathways, recreation facilities, and marina. Also, it is to be used for installation or construction of public lighting facilities. Revenue to this fund is collected through annual property taxes and is capped by Proposition 218, allowing for no rate increase to this assessment without voter approval.

Supplemental Assessment - An assessment of real property occurring after the real property lien date of January 1st of each year as a result of new construction or a change in ownership. The assessor determines the new value of the property based on current market values, and then calculates the difference between the new value and the old value set on January 1st.

Surplus – A positive value. An excess of revenue or assets over expenditure or liabilities during a set period, usually a fiscal year.

Tax Levy – Amount of tax dollars raised by the imposition of the tax rate on the assessed valuation of property.

Tax Rate – The amount of tax levied for each \$100 of assessed valuation.

Tier 1 Funding – Council and departmental requests for General Fund support (over the baseline) for personnel, programs and projects are prioritized into three tiers. Tier 1 funding refers to additional appropriations from the General Fund or Capital Improvement Program (CIP) Fund approved as part of the biennial budget. Tier 1 refers to items that operational must be paid for; items that support a federal, state or locally mandated function; items that support public health and safety, critical operations and/or critical infrastructure needs; items that support the implementation of the City's strategic plan goals and/or have been approved by Council; and items that either generate revenue, are grant funded or otherwise leverage additional funding.

Transient Occupancy Tax (TOT) - A 12% tax is levied on charges for occupancy of hotel and motel rooms for stays of 30 days or less.

Unfunded (Supplemental) Requests – An item for which funding is not included by the City Administrator due to financial limitations, not because the request lacks merit. The Council may act to include them in the final budget, which may require reordering of budget priorities.

Unfunded Liabilities – Unfunded liabilities are defined as identifiable obligations of an organization for which the organization does not have 100% of the funding (cash or other assets) set aside to cover the cost should all obligations become immediately due.

Utility Users Tax – A 7.5% tax is levied on utility billings for gas and electric and intra-state telephone services.

Year-End – This term means as of June 30th (end of the fiscal year).

Zero Waste Fund - This enterprise fund accounts for the revenues and expenses related to refuse collection and solid waste disposal services.